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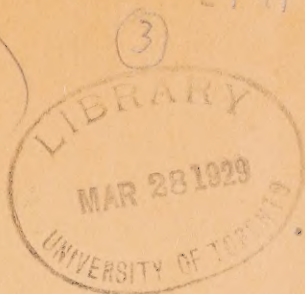
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SESSION 1929

HOUSE OF COMMONS



H7928

SELECT STANDING COMMITTEE

ON

Public Accounts

MINUTES OF PROCEEDINGS AND EVIDENCE

(Orders of Reference and Reports)

No. 1—THURSDAY, MARCH 21, 1929

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1929

MEMBERS OF THE COMMITTEE

S. W. JACOBS, Esq.,

Chairman

Messieurs:

Adshead,	Kaiser,
Arthurs,	Laflamme,
Beaubien,	Lapierre,
Bell (Hamilton West),	Lawson,
Bettez,	Lennox,
Bothwell,	Lovie,
Cahan,	Malcolm,
Campbell,	Manion,
Cannon,	McDiarmid,
Casselman,	Odette,
Coote,	Parent,
Cowan,	Peck,
Donnelly,	Perras,
Dubuc,	Pouliot,
Duff,	Power,
Edwards (Frontenac-Addington),	Ross (Kingston City),
Ernst,	Rutherford,
Ferland,	Ryckman,
Fraser,	Smith (Cumberland),
Gardiner,	Smith (Stormont),
Girouard	Smoke,
Guerin,	Taylor,
Hanson,	Telford,
Ilisley,	Thorson,
Jacobs,	Tobin.

E. L. MORRIS.

Clerk of the Committee.

ORDERS OF REFERENCE

HOUSE OF COMMONS,

FRIDAY, February 15, 1929.

Ordered:—That the Select Standing Committee on Public Accounts be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

TUESDAY, February 12, 1929.

Ordered:—That the Auditor General's Report for the year ending March 31, 1928, and the Public Accounts for the year ending March 31, 1928, be referred to the said Committee.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

TUESDAY, February 26, 1929.

Ordered:—That the name of Mr. Bell (Hamilton West) be substituted for that of Mr. Clark on the said Committee.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

FRIDAY, March 15, 1929.

Ordered:—That the names of Messrs. Fraser, Cowan, and Ernst, be substituted for those of Messrs. White (London), Guthrie and Black (Yukon) on the said Committee.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

REPORTS OF THE COMMITTEE

FIRST REPORT

THURSDAY, March 21, 1929.

The Select Standing Committee on Public Accounts beg leave to present the following as their First Report:

Your Committee recommend that five hundred copies in English and two hundred and fifty copies in French of the proceedings and evidence taken before the said Committee be printed from day to day or as required for the use of the Committee and Members of the House; and that Standing Order 64 be suspended in relation thereto.

All of which is respectfully submitted.

S. W. JACOBS,
Chairman.

(Concurred in March 22, 1929).

MINUTES OF PROCEEDINGS

THURSDAY, March 21, 1929.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m. this day, Mr. Jacobs, the Chairman, presiding.

Members present: Messieurs: Adshead, Arthurs, Beaubien, Bell (Hamilton West), Bettez, Casselman, Donnelly, Ernst, Gardiner, Girouard, Hanson, Jacobs, Kaiser, Lapierre, Lawson, Lovie, Manion, McDiarmid, Peck, Ross (Kingston City), Smoke, Telford, and Tobin—23.

The Chairman called the meeting to order and stated that he understood Mr. Ernst had some business to bring before the Committee.

Mr. Bell (Hamilton West) raised the question of the appointment of a vice-chairman in case of the unavoidable absence of the chairman. Considerable discussion followed. The question was finally settled by the information that in a case of unavoidable absence of the chairman and the necessity of having the committee called, action could be taken by the House in having the committee convened.

Mr. Ernst stated that he intended submitting motions for the production of papers, but first he would move, seconded by Mr. Bell (Hamilton West)

That five hundred copies in English and two hundred and fifty copies in French of the proceedings and evidence taken before the said Committee be printed from day to day or as required for the use of the Committee and Members of the House; and that Standing Order 64 be suspended in relation thereto.

Carried.

Mr. Ernst then moved, seconded by Mr. Bell (Hamilton West),

That accounts, vouchers and correspondence be produced from the proper sources, in connection with certain payments as set out in the Auditor General's Reports of 1927 and 1928, as follows: (For detail see pages 9, 10, 11 and 12 of evidence).

Respecting a payment of \$88,989.72 to A. S. MacMillan, Halifax, for supplies to Hudson Bay expedition. Page O-27, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$13,697.05 to Wm. Robertson & Son, Halifax, *re* supplies to Hudson Bay expedition. Page O-26, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$3,465.48 to Cragg Bros., Halifax, *re* supplies to Hudson Bay expedition. Page O-26, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$1,881.77 to Gordon B. Isnor, Halifax, in connection with supplies to Hudson Bay expedition. Page O-26, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$6,837.37 to Austen Bros., Ltd., Halifax, *re* supplies to Hudson Bay expedition. Page O-26, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$13,038.50 to S. Cunard & Company, Halifax, *re* supplies to Hudson Bay expedition. Page O-26, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$2,341.83 to Hillis & Sons, Halifax, *re* supplies to Hudson Bay expedition. Page O-27, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$72,138.39 to A. S. MacMillan, Halifax, *re* construction work at Bedford Basin. Page Q-63, Vol. II, Aud. Gen. Report 1927.

Carried.

Respecting a payment of \$100,000 to A. C. MacMillan and C. A. MacNearney *re* construction work at Bedford Basin. Page Q-70, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$16,424.63 to S. Cunard & Company, Halifax, *re* materials, supplies and repairs in connection with Hudson Bay terminals. Page W-58, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$27,119.50 to W. E. Landry, in connection with Dingwall Breakwater (Aspy Bay). Page V-76, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$35,000 to Beacon River Dredging Company, Ltd., *re* La Have River dredging. Page V-76, Vol. II, Aud. Gen. Report 1928.

Carried.

Respecting a payment of \$50,000 to Beacon Dredging Company, and various other parties in connection with Yarmouth dredging. Page V-78, Vol. II, Aud. Gen. Report 1928.

Some question arose as to whether the files would be available for perusal in advance of the next meeting after the Easter recess. The Chairman thought it would be possible, if that had been the practice heretofore.

Discussion followed as to next date of meeting. It was finally decided to meet on Wednesday, April 10th.

The Committee adjourned.

E. L. MORRIS,
Clerk of the Committee.

COMMITTEE ROOM 429,
HOUSE OF COMMONS,

THURSDAY, March 21, 1929.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., Mr. Jacobs, the Chairman, presiding.

The CHAIRMAN: I understand, Mr. Ernst, that you have some business to bring before the Committee.

Mr. ERNST: Mr. Chairman, I would move, seconded by Mr. Bell of Hamilton, for the production of all accounts, vouchers and correspondence—

Mr. BELL (Hamilton): Before we proceed, Mr. Chairman, I believe you are the convener of this Committee, and I think it would be desirable to have the formal election of a Chairman.

The CHAIRMAN: I thought that was done long ago.

Mr. BELL (Hamilton): I can imagine no one that we would rather see as Chairman as yourself, but as a matter of regularity is it not necessary to do that?

The CHAIRMAN: There was a meeting some time ago, at which the Chairman was elected.

Mr. BELL (Hamilton): I beg your pardon then.

The CHAIRMAN: I was not here myself, but I was told that I had been appointed Chairman.

Mr. BELL (Hamilton): I do not know, Mr. Chairman, whether or not it is convenient for you to attend all meetings. I know that it might be a matter of considerable difficulty for me, for instance; if I happened to be in your place, and I would suggest that it might be of some assistance to you, and of some value to the Committee, if it is competent to appoint for your assistance a deputy chairman, who may take the Chair when you are not present.

The CHAIRMAN: I do not think that that is followed in the constitution of these Committees. I do not know myself, but sufficient unto the day is the evil thereof. Suppose we go on, and when we come to that difficulty we will deal with it.

Mr. BELL (Hamilton): May I offer this for your consideration: supposing that at any time we should find that you were not able to attend a meeting of the Committee, then we would not be able to have a meeting—

The CHAIRMAN: Up to the present I have always been here.

Mr. BELL (Hamilton): I am perfectly willing to follow the rule, but if it is in order I would like to make that motion. I hope, and I am sure every member of the Committee hopes, that you will find it possible on all occasions to preside. But supposing you do not, then it would seriously impede perhaps our getting on with the business.

The CHAIRMAN: Might I point out, Mr. Bell, that this Committee has met once in three years, and I was present that once.

Mr. BELL (Hamilton): Mr. Chairman, I point out that it may be possible to make up for the three years that have passed without this Committee having met, if we apply ourselves to what we have in hand now, and, for that reason, I would urge that that assistance be given to you even if we should not have to avail ourselves of it.

The CHAIRMAN: Well, is it the rule with other Committees? Do they appoint a deputy chairman? I am told it has never been done.

Mr. LAPIERRE: Some other member is called on to preside in the Chairman's absence.

Mr. BELL (Hamilton): If that is the case, is it also true that the Chairman can delegate to some one else the right to call the meeting together?

The CHAIRMAN: I believe that in the absence of the Chairman, the meeting selects from amongst its members a Chairman.

Mr. BELL (Hamilton): I would like to know whether or not in the absence of the Chairman who is going to call the Committee together, if some one seeks to have a meeting called.

The CHAIRMAN: You say, in the absence of the Chairman. It is usual to give at least twenty-four hours' notice for calling a meeting. As a matter of fact, Mr. Ernst did not give me twenty-four hours' notice.

Mr. ERNST: I was trying to get you, Mr. Chairman, from Friday until yesterday.

Mr. BELL (Hamilton): My whole point is this, Mr. Chairman, that if at any time it is desired that a meeting should be called, if some person calls that meeting, and you unfortunately cannot be present, some one will be made temporary chairman of the meeting. Well and good, but that does not answer the difficulty, or dispose of the difficulty that we may be in in calling meetings if you should not happen to be here. Who is going to be the one to call a meeting together if the Chairman is not here? Perhaps there is someone here who knows far more about the procedure than I do, who might be able to tell us. If the Clerk can call a meeting, then that answers and disposes of the difficulty, but I would like to know if that is so.

The CHAIRMAN: We are here for a certain purpose to-day. Let us proceed with it, and then when we come to this bridge we will cross it.

Mr. HANSON: I think Mr. Bell is entitled to find out about the machinery, and how it works. He is not entitled to be sidetracked in that way.

The CHAIRMAN: Mr. Hanson, we are proceeding in the same way as the other dozen Committees are proceeding.

Mr. HANSON: Let us know if we can have a meeting called in your absence.

An Hon. MEMBER: Why should we assume that the Chairman will be absent.

Mr. HANSON: He has just told us.

The CHAIRMAN: I did not say that. I have presided over this Committee for the last three or four years, and I presided at every one of the meetings, indicating that I was present. Why should I be set up as a person who is not likely to attend a meeting.

Mr. BELL (Hamilton): You have not been selected, Mr. Chairman. All I want to know is whether or not if that should happen, we will be provided for. Surely, it is possible for us to find out the person, if there should be such a person, to whom one would have to go for the purpose of having a meeting called, if it should happen to be a time when you are absent.

The CHAIRMAN: I would fancy that the Chief Whip would be the party to whom you ought to apply.

Mr. HANSON: What has he got to do with it?

The CHAIRMAN: A good deal more than you think.

Mr. HANSON: A good deal more than he ought to have.

Mr. BELL (Hamilton): What status has he got to call a meeting of any Committee?

The CHAIRMAN: I say that he could be applied to, Mr. Bell, if you want the meeting called. We are raising a man of straw and throwing him down. As I say, we have not functioned for three years. This is the first meeting that has been called. Mr. Ernst got in touch with me, and within fifteen or sixteen

hours after the time when he asked for a meeting it was called. That being so, I do not see that there is any cause for complaint so far. If there are complaints later they can be handled in the proper way.

Mr. BELL (Hamilton): Mr. Chairman, I am not making a complaint. I am asking for information from those who are far more experienced than myself. I would like to know what has been done, or what can be done. Will the Clerk be empowered to call a meeting if you should not be available?

The CHAIRMAN: I doubt whether the Clerk of the Committee has any power to do anything of the kind.

Mr. BELL (Hamilton): Then, why should we not have a Vice-Chairman?

Mr. HANSON: What does the Clerk say? He is an old official.

The CHAIRMAN: The Clerk tells me that he has been here for many years, and he says that he gets his instructions from the Chairman.

Mr. HANSON: If that is the answer, then there is no medium.

Hon. Mr. MANION: Just as a matter of information; suppose that you did take a trip, you do not mean to tell me that, without instructions, there is no way of calling a meeting?

The CHAIRMAN: Supposing the Chairman of the Banking and Commerce Committee took a trip; supposing that he were to die suddenly. I would suggest that we proceed with the business.

Hon. Mr. MANION: It is only a matter of information, Mr. Chairman. I do not know anything about this myself, any more than you do. I am only asking for information.

The CHAIRMAN: Dr. Manion, in all your experience, covering as many years as I have been here, has this question ever arisen, that we should provide a vice-chairman, in the event of the Chairman being absent?

Hon. Mr. MANION: I am not presenting that. I am merely asking for information, and under those circumstances I would like to ask, supposing you are away for two or three weeks, is there not some machinery whereby a meeting may be called, or is it dependent entirely upon the Chairman?

The CLERK: Generally some member or members request that a meeting be called, and the Chairman then instructs me to call the meeting.

Hon. Mr. MANION: Leaving this Committee aside altogether, do you mean to tell me that if a Chairman happened to be away there is not some machinery for calling a meeting?

The CHAIRMAN: Suppose we get the view of Mr. Beauchesne on the question; then we will all be satisfied. I do not know.

Mr. SMOKE: Surely every Committee has some jurisdiction in matters pertaining to its own procedure. Can we not submit a motion here and get the feeling of the members of this Committee on that motion? I would make such a motion, that in the absence of the Chairman of the Committee from the House of Parliament, any three members may request the Clerk to call this meeting together.

The CHAIRMAN: You are making some new rule now which has to be submitted, I suppose, in some way. I am not prepared to submit that to the meeting. I think we ought to get the view of the Clerk of the House on the matter. Let the thing be continued until the next meeting, and we will then find out.

Mr. HANSON: It is easy enough to get him up here.

The CHAIRMAN: We may get his manual.

Mr. TOBIN: Why do we not go right on with the business, Mr. Chairman? You can get that information and give it to us at the next meeting.

Mr. HANSON: This is business right now.

Mr. ROSS (Kingston): I submit that, because the meetings of this Committee have been unusual in the past, this step has been taken to prepare for the actual functioning of this Committee. I submit that for your ruling, Mr. Chairman, and I submit that any question asked in relation to the meetings should not be referred to the Chief Whip. I do not agree with you there, Mr. Chairman. He has nothing whatever to do with the calling of a meeting of this Committee. He is not even recognized in our procedure.

The CHAIRMAN: What I suggested to Mr. Bell was, that if the Chairman were not present, application to the Chief Whip would bring about a meeting forthwith.

Mr. ERNST: I have been informed that a Vice-Chairman cannot be appointed. I do not wish to take sides against my own party, but that is what I am told. I am told also that the procedure for calling a meeting in case the Chairman is absent, is to move on the floor of the House. I am only giving that as information coming from Mr. Beauchesne. When it is asked for it is granted. So possibly we can let it go at that.

This Committee evidently has not functioned for a long time. I see some forms here dated 1901. I have a number of motions that I desire to make for the production of accounts, vouchers and correspondence. I notice, apparently from the previous procedure of the Committee, that those motions have been made in writing, and, with the consent of the Committee, I will put them in writing afterwards in the same form as I am going to put them now.

I move, seconded by Mr. C. W. Bell, of Hamilton, for the production of accounts, vouchers and correspondence relating to the payment of \$88,989.72 to Mr. A. S. McMillan, in respect of supplies for the Hudson Bay expedition, appearing in the Auditor General's Report for the year 1928, at page 0-27.

Motion agreed to.

Mr. ERNST: I suppose in the ordinary course, Mr. Chairman, we ought to have a motion, that we recommend to the House that the Minutes of the meetings of this Committee be taken and printed.

The CHAIRMAN: We usually do. The Minutes are now being taken.

Mr. ERNST: I would move, Mr. Chairman, that we recommend to the House that the Minutes and Proceedings in this Committee be taken down and printed. That is seconded by Mr. Bell (Hamilton).

Motion agreed to.

Mr. ERNST: I would move, seconded by Mr. Bell (Hamilton), for all accounts, vouchers and correspondence, and other papers, relating to a payment of \$13,697.05 to William Robertson & Son, in connection with supplies furnished to the Hudson Bay expedition, appearing at page O-26 in the Auditor General's Report for the year 1928.

Motion agreed to.

Mr. ERNST: The next motion also relates to supplies furnished to the Hudson Bay expedition in the sum of \$3,465.48, paid to Cragg Bros., Halifax, and is found at page O-26 of the Auditor General's Report for the year 1928.

Motion agreed to.

Mr. ERNST: The next motion is for the production of accounts, vouchers and correspondence, and other papers relating to a payment of \$1,881.77 to Gordon B. Isnor, for supplies furnished to the Hudson Bay expedition, and is to be found at page O-26 of the Auditor General's Report for the year 1928.

Motion agreed to.

Mr. ERNST: The next motion is for the production of accounts, vouchers, correspondence and other papers relating to a payment of \$6,837.37 to Austen Bros., for supplies furnished to the Hudson Bay expedition, and is found at page O-26 of the Auditor General's Report for the year 1928.

Motion agreed to.

Mr. ERNST: The next motion relates to the production of accounts, vouchers, correspondence and other papers regarding a payment of \$13,038.50 to S. Cunard & Company, for supplies furnished to the Hudson Bay expedition, and is found at page O-26 of the Auditor General's Report for the year 1928.

Motion agreed to.

Mr. ERNST: The next motion is for the production of accounts, vouchers, correspondence, and other papers relating to a payment of \$2,341.83 to Hillis and Company, for supplies furnished to the Hudson Bay expedition, and is found at page O-27 of the Auditor General's Report for the year 1928.

Motion agreed to.

Mr. ERNST: The next relates to a payment of \$72,138.39, to A. S. McMillan of Halifax, for the construction of joint service magazine and other buildings at Bedford Basin, as per contract, P.C. 1030, and is found at page Q-63 of the Auditor General's Report for the year 1927.

Motion agreed to.

Mr. HANSON: We will get a copy of the Minutes, Mr. Chairman?

The CHAIRMAN: Yes, they will be printed.

Mr. ERNST: The next relates to a payment of \$100,000 to A. C. McMillan and C. A. MacNearney, progress payments on account of contract for \$107,900, buildings and other related works as per P.C. 1339, dated July 15, 1927, and is found in the Auditor General's Report for the year 1928, at page Q-70.

Motion agreed to.

Mr. ERNST: The next is for an expenditure on the breakwater at Dingwall, in the County of Digby, N.S., of \$27,119.50, made to W. E. Landry, on account of breakwater construction, and is found at page V-76 of the Auditor General's Report for the year 1928.

Motion agreed to.

Mr. ERNST: The next relates to a payment of \$35,000 in respect to dredging in the LaHave river, consisting of sundry items, and is found at page V-76 of the Auditor General's Report for the year 1928.

Motion agreed to.

Mr. ERNST: The next relates to the payment of \$50,000 to the Beacon Dredging Company, and various other parties, for dredging at Yarmouth, in the province of Nova Scotia, and is found at page V-78 of the Auditor General's Report for the year 1928.

Motion agreed to.

Mr. ERNST: The last, Mr. Chairman, relates to a payment of \$16,424.63, to S. Cunard and Company, and is found at page W-58 of the Auditor General's Report for the year 1928, under the heading Material, Supplies and Repairs, et cetera, in connection with the Hudson Bay terminals.

Motion agreed to.

Mr. ERNST: That is all I have, Mr. Chairman.

Mr. ADSHEAD: For information, Mr. Chairman, is it necessary, according to the rule of Parliament, if a private member wants to get details of any particular item that appears in the Auditor General's Report, for him to get it through this Committee?

The CHAIRMAN: He can call for a return in the House.

Mr. ERNST: I am not asking this as a private member. I am getting it in order to have those accounts investigated in this Committee, and I am informed that this is the correct procedure. I consulted with the Clerk of this Committee before I acted.

The CHAIRMAN: I suppose you could call for a return in the House.

Mr. ADSHEAD: If I wanted the detail as to certain accounts.

Mr. HANSON: I would like to ask if those files will be available for perusal before the next meeting of the Committee.

The CHAIRMAN: If a meeting takes place to-morrow, they will not be.

Mr. HANSON: I do not anticipate that the Committee will meet to-morrow. I understand that the files are brought up here and left in the custody of the Clerk. The last time that I attended this Committee was in reference, I think, to the so-called shell scandal at Quebec. We had an opportunity of perusing all the files in advance, and I would like to know if the same procedure is to be followed now.

The CHAIRMAN: Naturally.

Mr. ERNST: Might I ask, Mr. Chairman, if Tuesday, April the 9th, would be a suitable date for the next meeting of the Committee? The House re-convenes on the 4th of April, and I was wondering if the following Tuesday, the 9th, would be a convenient date to have the next meeting of the Committee. The files ought to be available then.

The CHAIRMAN: Supposing we fix it for Wednesday, the 10th. It would be more convenient, I think. Notices will be sent out calling the meeting for Wednesday, April the 10th. The Clerk will take a note of it.

The Committee adjourned till Wednesday, April 10, 1928, at 11 o'clock.

SESSION 1929
HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

Public Accounts

MINUTES OF PROCEEDINGS AND EVIDENCE

(Orders of Reference and Reports)

No. 2—Wednesday, April 10, 1929

WITNESS:

Mr. G. J. Desbarats, Deputy Minister, Department of National Defence.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1929

MEMBERS OF THE COMMITTEE

S. W. JACOBS, Esq.,
Chairman

Messieurs:

Adshead,
Arthurs,
Beaubien,
Bell (Hamilton West),
Bettez,
Bothwell,
Cahan,
Campbell,
Cannon,
Casselmann,
Coote,
Cowan,
Donnelly,
Dubuc,
Duff,
Edwards (Frontenac-Addington),
Ernst,
Ferland,
Fraser,
Gardiner,
Girouard,
Gray,
Guerin,
Hanson,
Ilsley,

Jacobs,
Kaiser,
Laflamme,
Lapierre,
Lawson,
Lennox,
Lovie,
Malcolm,
Manion,
McDiarmid,
Odette,
Parent,
Peck,
Perras,
Pouliot,
Power,
Ross (Kingston City),
Ryckman,
Smith (Cumberland),
Smith (Stormont),
Smoke,
Taylor,
Telford,
Thorson,
Tobin,

E. L. MORRIS,
Clerk of the Committee.

ORDERS OF REFERENCE

HOUSE OF COMMONS,

FRIDAY, February 15, 1929.

Ordered:—That the Select Standing Committee on Public Accounts be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

TUESDAY, February 12, 1929.

Ordered:—That the Auditor General's Report for the year ending March 31, 1928, and the Public Accounts for the year ending March 31, 1928, be referred to the said Committee.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

TUESDAY, February 26, 1929.

Ordered:—That the name of Mr. Bell (Hamilton West) be substituted for that of Mr. Clark on the said Committee.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

FRIDAY, March 15, 1929.

Ordered:—That the names of Messrs. Fraser, Cowan, and Ernst, be substituted for those of Messrs. White (London), Guthrie and Black (Yukon) on the said Committee.

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FRIDAY, March 22, 1929.

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Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

TUESDAY, April 9, 1929.

Ordered:—That the name of Mr. Gray be substituted for that of Mr. Rutherford on the said Committee.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

REPORTS OF THE COMMITTEE

FIRST REPORT

THURSDAY, March 21, 1929.

The Select Standing Committee on Public Accounts beg leave to present the following as their First Report:

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All of which is respectfully submitted.

S. W. JACOBS,
Chairman.

(Concurred in March 22, 1929)

MINUTES OF PROCEEDINGS

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

WEDNESDAY, April 10, 1929.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m. this day, Mr. S. W. Jacobs, the Chairman, presiding. The following members of the Committee were present:

Messieurs: Arthurs, Beaubien, Bettez, Duff, Edwards (Frontenac-Addington), Ernst, Fraser, Gardiner, Gray, Illsley, Jacobs, Kaiser, Laflamme, Lapierre, Lawson, Lovie, Manion, Parent, Peck, Perras, Pouliot, Power, Ross (Kingston City), Smith (Cumberland), Smoke, Telford, Thorson and Tobin—(28)—see List.

In accordance with notification that files of National Defence Department would be taken up by the Committee on above named date Mr. G. J. Desbarats, Deputy Minister of National Defence was in attendance.

The Chairman, on opening the meeting, asked that the business for the day be stated.

Mr. Ernst moved that the item respecting a payment of \$72,138.39 to A. S. MacMillan of Halifax, as set out at page Q-63, Vol. II, Auditor Generals Report 1927, be now taken up.

Agreed to.

- Mr. Desbarats called and sworn.

Examined by Mr. Ernst. Many questions by other members of the Committee.

Considerable discussion over contract in connection with above payment. Mr. Ernst asked to have paragraph 16 read. Objection made on the ground that a part of the contract should not be read, without reading the whole. It was found that the reading of the whole contract would occupy too much time. It was finally agreed by the Committee that the contract should be filed and become a part of the record. The Chairman ruled that Mr. Ernst could then read paragraph 16 as the right of a member of the Committee. Paragraph 16 read.

Mr. Ernst proceeded with examination of the witness. Discussion and questions by the Committee generally, followed.

It being near one o'clock, Mr. Ernst said that he desired to submit a motion for the calling of a witness for the next meeting of the Committee. He therefore moved, seconded by Mr. Smoke, that Mr. A. S. MacMillan, Halifax, be asked

to appear before the Committee on Wednesday, April 17, next. It was pointed out that Mr. MacMillan being a Member of the Nova Scotia Legislature and that House being then in session, Mr. MacMillan could be asked to appear only by his own consent and convenience. It was finally decided by the Committee that the Clerk of the Committee be instructed to telegraph Mr. MacMillan and ascertain if he could appear before the Committee on the date mentioned. Motion to stand.

The Committee adjourned to meet again on Wednesday, April 17.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

Room 277,

HOUSE OF COMMONS,

WEDNESDAY, April 10, 1929.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. S. W. Jacobs, presiding.

The CHAIRMAN: I declare the meeting open. What is the first business?

Mr. ERNST: I called for a number of returns the last time the committee met, and answers have been tabled in all the cases, but the files in respect to most of them only became available yesterday. In consequence I have only had an opportunity of examining the files of two of those which were asked for. They appear on the top of the second page of the Orders, the two relating to the Department of National Defence. I would ask the committee to proceed with the consideration of the first two of these items, first, respecting a payment of \$72, \$138.39, to A. S. MacMillan, Halifax, and the second respecting a payment of \$100,000 to A. C. MacMillan and C. A. MacNearney. The first comes from Q. 63 of the Auditor General's report of 1927.

Mr. DUFF: I can second that, because that is rather interesting. The matter came up in parliament the night before last, and we should consider it first.

The CHAIRMAN: We will proceed with that item.

G. J. DESBARATS, called and sworn.

By Mr. Ernst:

Q. Mr. Desbarats, have you the file of your department here in relation to this particular matter?—A. Yes.

Q. Will you tell the committee when tenders were called for in relation to the item for which payment of \$72, \$138.39 was made?—A. They were called on the 1st June, 1926.

Q. Roughly speaking, what was the construction which was to be comprised in the contract?—A. The contract was for a number of buildings for the accommodation of explosives, primarily for the naval service, with the idea that later on there would be a combined service of naval, military and air, and it was for the construction of a magazine to take all the explosives stored at Halifax.

Q. Who were the tenderers?—A. Tenders were received from Mr. Sterling MacMillan for the sum of \$57,900; from James Phillips, \$62,300; and the Standard Construction Company, \$65,336.54.

Q. Which tender was accepted, and what was the date of acceptance?—A. The lowest tender, that of Sterling MacMillan, was accepted by Order in Council of June 25, 1926.

Q. Do you, from recollection, know who was the Minister of National Defence at that time?—A. Yes, that was Mr. Macdonald.

Q. Hon. E. M. Macdonald from Nova Scotia?—A. Yes.

Q. When was the formal contract signed?—A. The formal contract was not signed for quite a little time afterwards—some time in August, I think.

[Mr. G. J. Desbarats.]

Q. I think if you will check the file you will find you are mistaken in that. I want to keep the records straight. I believe it was the 21st July.—A. July 26. That is the date on the indenture here.

Q. The contract itself bears date July 26, 1926?—A. Yes—no, excuse me, July 21, 1926.

Q. And it calls for the completion of these units within what period of time from the 21st July?—A. Within 15 weeks.

Q. Now, up until the time of the signing of the formal contract, is there on the record any authorization to the contractor to go ahead? Is he authorized to go ahead—until the contract is formally signed?—A. Yes.

Q. Is there in this particular instance any authorization for him to go ahead?—A. He was notified immediately following the Order in Council.

Q. To what effect?—A. He was notified that the contract had been awarded to him.

By Mr. Power:

Q. On what date was that?—A. On June 28.

By Mr. Ernst:

Q. After the final or formal signing of the contract there was some delay in the proceedings, was there not?—A. No, I do not think so. There was delay before that.

Q. Before the final signing or after? I examined the files with some care yesterday and I could find no evidence of any delay occasioned by your department until the 27th July. Perhaps you can correct me if my impression is wrong.—A. Yes, I think so. I do not find it on the file, but I know it should be here.

Q. My question was, on the file is there any evidence of any stoppage by the department until the 27th July?—A. There is, but I have not found it yet.

By the Chairman:

Q. When did the work start?—A. The contractor was informed on June 28, 1926, that his contract had been accepted.

By Mr. Duff:

Q. Was he instructed to go to work then?—A. Yes. He would start preparing.

By Mr. Ernst:

Q. Is there any instruction on the record that he should go to work on the 28th June, or any time subsequent to the formal signing of the contract?—A. No, he was simply told that he had the contract. He was never instructed to go ahead with it.

By Mr. Ilsley:

Q. He would not require any instruction?—A. No.

Mr. PARENT: He would take that for granted, would he not?

Mr. ERNST: God knows, what he would take for granted.

Mr. POWER: Will you please let the witness answer.

The WITNESS: I have no doubt as soon as the contractor was told he had the contract, he would start getting his teams and material ready to carry out his work.

By Mr. Power:

Q. Is that not the usual thing?—A. Yes.

[Mr. G. J. Desbarats.]

By Mr. Ernst:

Q. Before he would get complete specifications, he would have to have the formal contract?—A. He would tender on the plans and specifications.

Q. Subject, of course, always, to change by the department at any time?—A. In the usual way, yes.

Q. What is the first evidence of stoppage which you find on the files? Have you found any evidence of stoppage?—A. I have not found anything on the file before the month of August, but I know there was a stoppage before that.

Q. What do you find in the month of August? I think if you look at the file you will find a telegram from Hon. Mr. Black dated the 27th July, or about that date?—A. Yes, that is a copy.

Q. Would you read to the Committee the telegram from Hon. Mr. Black?—A. This telegram is dated August 2nd, addressed to Mr. Guthrie at Ottawa, and repeated to him at Kincardine. It reads: "Referring to contract for magazine Bedford Basin. Suggest that competent official be sent here immediately to look into details in connection with proposed work."

By Mr. Power:

Q. Prior to that, had the work been stopped?—A. Yes, it had been stopped once before that.

By the Chairman:

Q. Mr. Guthrie was the Acting Minister of National Defence?—A. Yes.

By Mr. Pouliot:

Q. What was Mr. Black's capacity?—A. Mr. Black was Minister of Railways and Canals.

By Mr. Power:

Q. When was it stopped before that?—A. On either the 3rd or 4th of July the work was stopped.

Q. Under instructions from whom?—A. Under instructions from Mr. Guthrie.

Q. For how long a period?—A. Up to the 7th or the 8th.

Q. Of July?—A. Yes.

By Mr. Duff:

Q. How was the contractor notified?—A. He would be notified by wire.

Q. Signed by whom?—A. The Director of Contracts, I presume.

By Mr. Parent:

Q. There is nothing in the file to that effect.—A. I have not got it. I have seen the telegram quite recently, and I do not understand why I do not find it.

Q. Is there any possibility that such a telegram might have been sent by some other Minister not belonging to the department interested?—A. No, the instructions were sent by the department.

By Mr. Pouliot:

Q. Was this telegram on the file the last time you saw the file before to-day?—A. I certainly thought so.

By Mr. Ernst:

Q. Were these telegrams on the file when they came to this office yesterday?—A. I do not know; I would have thought they were.

[Mr. G. J. Desbarats.]

Q. Work was stopped for a short period around the first of August?—A. About four or five days.

Q. As a consequence of Mr. Black's telegram—to clear the matter up—what was done? Do you recall what was done?—A. Yes, instructions were sent to Halifax to McMillan, to stop work, and the proper instructions were sent to the Officer Commanding at Halifax to see that the work was stopped.

Q. And then what was done?—A. And then two officers were despatched from here to interview Mr. Black and explain to him the manner in which the contracts had been let. I do not think it is very intelligible without another letter.

Q. There is a document which explains the whole situation and gives a report from Halifax.—A. Yes.

Q. I believe from Colonel Barrie?—A. There is a report from the two officers who went down and interviewed Mr. Black.

Mr. PARENT: What I object to is that when Mr. Desbarats starts to give an answer he never gets a chance to complete it.

Mr. POULIOT: And when someone refers to a document, may I ask that he give the date and give the district so that we may know what it is. When we hear about a document in the file, it might be a wire or a report or anything else. I would like to know what is being referred to, and it would be only fair to the Committee.

By Mr. Ernst:

Q. There is a report, I believe, in the early part of August from the two officers concerned which gives the circumstances. Could you find that report and have it read? Perhaps your assistant could look that up while we go on.

Mr. ILSLEY: Why is not the witness permitted to give the sequence?

Hon. Mr. MANION: Let the other gentleman get ahead.

Mr. POWER: A member of the Committee is permitted to ask questions.

Hon. Mr. MANION: But with a number of you gentlemen asking questions it blocks the Committee.

Mr. ERNST: Perhaps I could expedite matters if I were allowed to ask the questions. Surely these gentlemen should be allowed to ask further questions to elucidate the matter. I have had the opportunity of going through the file, while other honourable members have not.

Mr. ILSLEY: What would be more reasonable than that the witness be asked to give the sequence of events and tell the story, and then let my honourable friend clear it up, we can do the same.

Hon. Mr. MANION: I think the member should be at liberty to put any questions he wishes.

The CHAIRMAN: When the witness is asked a question, he should be permitted to answer. It is impossible to answer half a dozen questions at one time.

By Mr. Ernst:

Q. Did you find the document in question?—A. No, I thought my assistant was to look it up.

Mr. POWER: I thought the arrangement was that Mr. Desbarats should tell the story, and then that Mr. Ernst or anybody else should be at liberty to ask questions which will explain the matter.

Mr. ILSLEY: That is not blockading the thing but is leaving it open.

The CHAIRMAN: This leaves it in the hands of the examiner.

[Mr. G. J. Desbarats.]

Mr. ERNST: I am only asking these questions to have confirmation from the records as we go on, so that there may be no confusion. The papers are in sequence, but they are so voluminous that they are difficult to find.

Q. Have you got Mr. Guthrie's letter in response to that telegram, and will you read that to the Committee?—A. This is a letter from Mr. Guthrie, at Guelph, dated August 5th, 1926:—

“DEAR MR. DESBARATS:—I have just returned from a trip around different parts of Western Ontario, and I find your letter of 28th July in reference to the magazine at Bedford Basin, Halifax.

“On my return I also find a telegram from the Hon. Mr. Black, which I enclose herewith. I do not know what Mr. Black's objection to the work is, but I think it might expedite matters if a competent engineer were asked to examine the work and report upon it at once. I have no doubt we have engineers in the Department who can do this. If you can arrange this, I will be obliged, and I am writing Mr. Black stating that this has been done.”

Q. Then what was done?—A. Would you like to have Mr. Black's telegram?

Q. Yes.—A. This is the telegram referred to by Mr. Guthrie:—

“Referring to contract for magazine Bedford Basin suggest that a competent official be sent here immediately to look into details in connection with the proposed work.”

Q. And then?—A. Then two officers were sent down to Halifax, one from the Naval Branch, Lieutenant Haines, and one from the Military Branch, Captain Barrie.

By Mr. Ilsley:

Q. You have read Mr. Guthrie's reply of August 5th, 1926, but you have not read your letter to Mr. Guthrie. Is it there?—A. I have it. I had it on my private file.

General Ross: I thought, Mr. Chairman, that we were listening to the sequence and the Member who proposed it is now interrupting.

By the Chairman:

Q. Will you read that letter, Mr. Desbarats?—A. My letter was in answer to a letter from Mr. Guthrie dated July 26th, 1926, from Guelph, which read as follows:—

“DEAR MR. DESBARATS:—I enclose a telegram which I have just received from Hon. Mr. Black of Halifax, in regard to the magazines now being erected at Bedford Basin. As you will see from the telegram Mr. Black takes rather a serious objection to this work going forward. I think that the work had better be stopped until I can obtain further definite information in regard to the matter. Will you please give orders accordingly. I have already telegraphed Mr. Black to this effect.”

By Mr. Ernst:

Q. What is the date of that letter?—A. That is the 26th July.

Q. What is Mr. Black's telegram?—A. Dated Liverpool, July 24th.

By Mr. Pouliot:

Q. Who signed the previous letter?—A. Mr. Guthrie.

By the Chairman:

Q. Do you say that Mr. Guthrie was merely the Acting Minister of Defence at the time?—A. No, I think he was the Minister,—he had been sworn in.

[Mr. G. J. Desbarats.]

By Mr. Ernst:

Q. Go ahead?—A. This telegram, dated Liverpool, July 24th:—

"HON. HUGH GUTHRIE: You will remember my request for delay on work on magazines, Bedford Basin, pending investigation regarding construction and contract. I am creditably informed that no open tenders were permitted for this work, the plans and specifications being followed are not approved of by British Authorities. May I ask that this work be suspended pending further inquiry regarding above particulars. This is important because element of safety is at stake. Reply to Halifax. (Sgd.) W. A. BLACK."

By Mr. Pouliot:

Q. Will you read the letter?—A. Then I wrote to Mr. Guthrie on the 28th July:—

"I received your letter of the 26th, regarding the magazines at Bedford Basin, near Halifax. I accordingly gave instructions that work was to be suspended until further advice was received.

"The contractor has his plant, horses and wagons, and a few men camped on the site, and has been doing preliminary work. I am afraid that the hold-up may occasion some claim for an extra.

"The Department took all possible precautions in connection with this work. Two officers, one Naval and one Militia, were in England last Winter and had special instructions to examine magazines in that Country and collect all information which would be of use in getting up the plans for Bedford Basin. We are not putting in the old style of nominally bomb proof magazines which, during the war, were shown to be unable to resist bomb attacks. Instead we are putting in very light buildings which, in the event of an explosion, will offer no resistance and will not provide any heavy material which can be thrown any distance.

"As regards the calling for tenders. Advertisements were published in the Halifax papers and everyone was given an opportunity to submit a price.

"I am planning to be away from the office next week, but am only going as far as Blue Sea Lake, so I can run into town at any time if you should be coming to the city. A day's notice would bring me down."

By Mr. Ernst:

Q. As a result of that correspondence, two officers were despatched to Halifax?—A. Two officers were sent to Halifax.

Q. Will you read their report, and say what action was taken consequent upon that?

MR. POULIOT: I think, Mr. Chairman, it would be fair to have the report.

MR. ERNST: I have asked for it. The fact that I did not have the complete file is the only reason for delay.

MR. DUFF: I think we are getting valuable information. We are doing fine.

THE WITNESS: I find here a report from Major David Barry and Lieut. Haines, who were the two officers sent to Halifax to interview Mr. Black. They say:—

"In accordance with instructions received, the undersigned proceeded to Halifax, N.S., on August 7th, to meet the Hon. W. A. Black, M.P., Minister of Railways & Canals, for the purpose of answering certain questions and to give explanations as required in connection with the new Magazine Buildings now under construction at Bedford Basin, N.S.

[Mr. G. J. Desbarats.]

"On arrival at Halifax it was ascertained that the Hon. W. A. Black was confined to his bed through sickness, and at his request the interview took place at his residence.

"The following gentlemen were also present:—Mr. Piercy, M.P.P., Halifax, Mr. Dumaresq, Architect, Halifax. Attached hereto is a summary of the interview. Submitted.

(Sgd.) DAVID BARRY,
Major, C.E.
E. HAINES,
Lieut. R.N., ret'd.

Q. Will you read the summary?—A. This is a summary of the interview with the Hon. W. A. Black, M.P., Minister of Railways and Canals, at Halifax, N.S., on August 9th, 1926, concerning the construction of Naval Magazine Building:—

"In order that the situation might be made quite clear to the Department's representatives, the Hon. W. A. Black handed to them for their perusal a letter written by Mr. Dumaresq to Mr. J. Silver, the text of which was as follows:—

"(1) That Tenders for the building of the Magazines were not publicly called for and only a few selected contractors were invited to tender.

"(2) That the plans and specifications were not approved by the British Admiralty and diverged so much from their plans as to become laughable.

"(3) That the material already available on the site was totally unsuitable for the work.

"(4) That the hollow tiles provided would not stand the climate, and that one-third of these were now broken and useless.

"(5) That the site was too close to habitation for the stowage of T. N. T. and menaced the safety of the inhabitants of Halifax.

"At the request of the Hon. W. A. Black these items were dealt with in sequence:—

"(1) A copy of the advertisement as published and the tenders submitted were handed to the Hon. W. A. Black, and after scrutiny he expressed himself as perfectly satisfied.

"Mr. Dumaresq observed that the tenders were only advertised in the Liberal daily papers, to which the Hon. W. A. Black replied that no objection could be taken as the papers were accessible to all parties.

"(2) Lieut. Haines explained that the plans and specifications did not actually concern the British Admiralty as they were purely Canadian Buildings. Advice had been obtained from the Admiralty as to the construction and the Admiralty loaned plans of their most modern Magazine Buildings in order to assist the Canadian Government in preparing plans for buildings to suit their particular requirements. That the plans and specifications now adopted were actually copies of the British Admiralty plans with a very few minor alterations and additions. Mr. Dumaresq was apparently under the impression the buildings were being erected for the British Admiralty.

"(3) Major Barry explained that the hollow tile had been used throughout Canada in the erection of similar buildings and that they had given complete satisfaction in all climates. Lieut.

[Mr. G. J. Desbarats.]

Haines stated that the hollow tile had been described to the Admiralty officials in England who expressed their approval of them. Mr. Dumaresq insisted that they would not stand the Nova Scotia climate unless they were cemented on the inside and outside. At this point Mr. Piercy begged leave to interrupt, stating he could not allow this statement of Mr. Dumaresq to pass unchallenged, as it was in direct contradiction to his personal experience, he having used these hollow tiles unprotected on his own buildings and found that after two winters, they were in perfect condition. These specifications were again produced and it was pointed out that provision had been made to have the walls cemented on the inside and that if experience proved that it was also necessary to cement them on the outside it could be done at any time without any structural alterations.

"(4) The site was visited in the afternoon by the Department's representatives accompanied by Mr. Piercy, M.P.P., Capt. A. F. L. Atwood, O.B.E., R.N., ret'd., N.A.S.O., and Col Benoit, R.E., M.D. No. 6. The material was carefully examined and not one per cent of the hollow tiles were found broken or cracked after being exposed all last winter, and that 75 per cent of those broken could still be used as half-bricks.

"(5) Lieut. Haines explained that the site was removed from habitation far outside the limits laid down in the Admiralty Regulations for Naval Armament Services and that further additional precautions had been taken to have the buildings heavily traversed all round in order to localize any explosion that might possibly take place.

Mr. Dumaresq then raised objections to storage of T.N.T. as the inhabitants of Halifax were very much afraid of this class of explosive. Lieut. Haines explained that the stability and storage of T.N.T. were much safer than many other classes of explosives. That it is not easily inflamed, is less sensitive to shock and presents no danger of spontaneous ignition in any climate or condition that may be met in the service, and further that this class of explosive was provided with a special building of its own and the building heavily traversed all round.

"The Hon. W. A. Black then asked Mr. Dumaresq if he was satisfied with the explanations given by the Department's Representatives. Mr. Dumaresq replied in the affirmative and stated that he had been originally misinformed on the whole matter.

"The Hon. W. A. Black thanked the Department's Representatives for the information given, regretted the necessity of the journey to Halifax, and stated he would wire the Hon. the Minister of National Defence to that effect. He further stated that it would be desirable in the interests of all concerned could be appointed during the construction to see that the specifications were fulfilled."

Mr. POULIOT: To whom does that refer?

Mr. ERNST: The public, of course. Who else?

By Mr. Ernst:

Q. The work was then proceeded with, was it not?—A. Yes, Mr. Black wired to Mr. Guthrie, and Mr. Guthrie sent instructions to have the work proceeded with.

[Mr. G. J. Desbarats.]

Q. And it went on?—A. It went on.

Q. Without any further stoppage on the part of the Department?—A. Yes.

By Mr. Ilsley:

Q. At that stage, was there not a previous stoppage by the Department? I am asking you from your own knowledge.—A. Yes, that in the beginning of July.

Q. For how long was that?—A. I am answering without the file, but for four days, I would think.

By Mr. Pouliot:

Q. Who was Minister then?—A. Mr. Guthrie.

Q. And who was the Minister who signed the contract?—A. I signed it myself.

Q. On behalf of whom?—A. On behalf of the Department. It was Mr. Guthrie who was the Minister then.

Q. And did the men work after they were stopped first in the beginning of July?—A. Yes, they worked after they got notice to resume work.

Q. Who gave that notice?—A. The Department gave it.

Q. And did the Minister give instructions to that effect, to resume work?—A. Yes.

By Mr. Duff:

Q. Do you know if Mr. MacMillan kept his men and teams on the ground during that time?

Mr. ERNST: Oh, he could hardly say.

By Mr. Pouliot:

Q. Who was the Minister who authorized the work to proceed after it was first stopped?—A. Mr. Guthrie.

By Mr. Duff:

Q. Would you mind answering my question, if you can. Do you know, of your own knowledge or through your officials, what happened from July 2nd during the first stoppage.—A. There are reports on the file from Mr. MacMillan explaining that this stoppage necessitated his keeping teams and men idle and removing some of them from the work, and as a result he is forced to a certain expenditure.

Q. That he would sustain loss, consequently?—A. Yes.

By Mr. Ilsley:

Q. Was there a claim made?

By Mr. Parent:

Q. Who ordered the first stoppage?—A. Mr. Guthrie.

Q. At whose request?

By Mr. Ernst:

Q. Is there any reference in the file at all that you can discover of the first stoppage?—A. No.

By Mr. Pouliot:

Q. Can you say from memory?—A. My impression would be that it was something from Mr. Black, but that is an impression only.

[Mr. G. J. Desbarats.]

SELECT STANDING COMMITTEE

By Mr. Ernst:

Q. Were you present when there was any conversation?—A. No.

By Mr. Ilsley:

Q. You made reference to Mr. MacMillan's reports, and I would like those reports.

By Mr. Beaubien:

Q. The contractor, Mr. MacMillan, no doubt felt that he was entitled to some compensation for the work being stopped, and you felt that way yourself, in writing that letter to Mr. Guthrie, didn't you?—A. Yes, I thought there would probably be a claim.

By Mr. Ernst:

Q. At this stage, would you read Paragraph 16 of the contract to the Committee.

Mr. POULIOT: We should have the whole contract read. My friend has had the opportunity of reading the whole file; but I would ask Mr. Desbarats to read the contract from beginning to end.

Mr. ERNST: Would it not be satisfactory if the reporter were furnished with a copy of the contract to be printed? It is very lengthy.

Mr. POULIOT: If it is given to the reporters, how will we know it?

Mr. ERNST: I did not refer to the Press.

By Mr. Ernst:

Q. It is a stock contract, is it not?—A. Yes.

Q. Will you read Paragraph 16 to the Committee?

Mr. ILSLEY: Mr. MacMillan stated at least once and probably twice, what the nature of the damages or expenses would be that he would be put to, as a result of these stoppages, and I would like to have his letters read.

The WITNESS: Mr. Chairman I have found the telegrams that Mr. Ernst was asking about. I am reading the telegrams regarding the stoppage of July 3, to the District Officer commanding Military District No. 6:

"All questions in connection with new Magazine buildings are to stand in obedience until further orders. Advise the contractor to this effect immediately and secure his acknowledgement.

(Sgd.) QUARTER MASTER GENERAL."

By Mr. Pouliot:

Q. On whose instructions?—A. Presumably on mine.

Q. Did you get other instructions from other people, such as the Minister, to that effect?—A. Oh yes, I gave the instructions on the instructions of the Minister.

Q. It came first from the Minister?—A. Yes. Then on July 8 a telegram to the District Officer commanding Military District No. 6, Halifax, N.S.:—

"Reference my telegram Engineers 128 July third (STOP) Contractor may now proceed with construction new Magazine. (Sgd) Quarter Master General."

Q. What is the date of that?—A. July 8.

Q. Who gave the instructions to the Quartermaster General?—A. They came from the Minister, undoubtedly, to me.

[Mr. G. J. Desbarats.]

By Mr. Ernst:

Q. Now would you turn up Section 16 of the contract and read it?

Mr. POWER: Mr. Ilsley's question is still before the Committee, asking what Mr. MacMillan had to say about it at that stage.

By the Chairman:

Q. Is there anything on the file?

Mr. POWER: Yes, Mr. Ernst say there is, and we want it given to the Committee.

Mr. ERNST: I could find nothing at that stage.

The WITNESS: Not in July.

By Mr. Ernst:

Q. Mr. MacMillan's letters were of much later date, as I recollect them.—

A. Oh yes.

By Mr. Ilsley:

Q. If not at that stage, give us the first protest from Mr. MacMillan, and tell us when it was, and read it. I think you will find it in July or August.

Mr. ERNST: I think it was in October, when he was being pressed to complete the contract. No, I beg your pardon, you will find it on the 5th August. You have it tabbed 93.

The WITNESS: You want the letter from Mr. MacMillan to the District Officer Commanding at Halifax?

Q. Yes.—A. This is dated July 28th, 1926. There are several documents and this is only one of them. It is addressed to the Department of National Defence, Halifax, and reads as follows:—

DEAR SIR:—This morning I received a letter signed by Captain Brunning, advising me that instructions had been received to the effect that I was not to proceed with the work in connection with the construction of the magazine building until the arrival of the signed contracts. At Captain Brunnings request I formally acknowledged receipt of the letter by the orderly who delivered it to me. I desire to point out that this matter was closed by telegrams passing between the Director of Contracts and myself in the latter part of last month, whereby my tender was accepted and acknowledgment of this acceptance was sent forward by me. I immediately began getting together material and plant for the work and devoted practically my entire time and that of my staff to this job. I have put my mills at cutting special material and shipped horses and necessary construction equipment, including camping outfit, and, as you are aware for the last three days I have been on the site with horses, plant, and equipment and have already broken a substantial amount of ground under the direction of the departmental engineer in charge, who laid the work out for me.

The letter of this morning comes just at a time when I have two gangs of men as well as foremen now en route and another gang actually on the work with the superintendent and foremen hired for four months. To comply with your letter I have had to stop the work which was well under way and take care in some way of these men who have been hired especially for this job. All my arrangements for the procuring of material and plant, both for my own mill and by purchase from outside are entirely unsettled. I feel sure you will realize the disorganiz-

ation, trouble, loss and expense which is being caused by your communication and I hope to have immediate instructions to proceed without further interference and I will be promptly and satisfactorily reimbursed. I am writing you now to record the above situation and to advise you I am complying with the terms of your letter because I want to work in accord with the wishes of the department as far as I can, but I necessarily have to stipulate that it be understood that by thus complying I am not in any way waiving or prejudicing any of my rights in the premises.

Yours very truly,

(Signed) A. S. MacMILLAN.

By Mr. Pouliot:

Q. Referring to that again, will you please tell the committee when the departmental engineer was first put in charge of the work?—A. I have no doubt the departmental engineer was the engineer in the District Office at Halifax, and he would have charge the minute the District Officer Commanding was advised that the contract had been given to MacMillan.

By Mr. Ilsley:

Q. Did you have any confirmation from your own officers of the facts set out in the MacMillan letter?—A. I had a telegram from the District Officer Commanding dated at Halifax July 28, which reads: "Reference Quartermaster's telegram 141. Contractor instructed to cease work pending arrival of signed contracts. As contractor already has some plant, horses, wagons and a few men camped on site it is pointed out he will have some ground for charging extras due to stoppage of work." That is signed by the District Officer Commanding.

By Mr. Ernst:

Q. Now, may I revert to my former question? Will you read paragraph 16 of the contract?

Question objected to.

The CHAIRMAN: He may read paragraph 16, and then any member of the committee may request the balance of the contract to be read. It is filed and will be printed in this morning's proceedings.

Contract printed as an appendix following evidence of this date.

By Mr. Gardiner:

Q. Before we leave the other point, I would like to ask if any officer of the department took note of the number of horses and men on the ground while this stoppage was in existence?—A. I have no doubt that the information was obtained by the engineer on the work, because later on he gave a certificate as to the reasonableness of the claim put in for the expenditures incurred.

Mr. ERNST (Reading): "The contractor shall not have or make any claim or demand, or bring an action or suit or petition against His Majesty for any damage which he may sustain by reason of any delay in the progress of the work, arising from the acts of His Majesty or of His Majesty's officers, servants or agents, and it is agreed that in the event of any such delay the contractor shall have such further time for the completion of the works as may be fixed in that behalf by the Minister of National Defence for the time being."

[Mr. G. J. Desbarats.]

By Mr. Ernst:

Q. Is that a usual and regular paragraph in your contract?—A. That is the standard clause in the contract on which the contractor was awarded the contract on the 28th July.

Q. The officers are, of course, familiar with it?—A. Yes.

By Mr. Ilsley:

Q. What is the practice of the department in reference to such clauses?—A. In what way?

Q. Do you have claims for extras necessitated by delays such as this from contractors? Do these ordinarily or often arise?—A. That clause, as I read it, prohibits a claim for damages, but it does not prohibit a claim for expenses actually incurred as the result of the delay.

Q. Order by the department?—A. Yes.

By Mr. Ernst:

Q. In that connection, have you ever taken the opinion of the law officers of the Crown as to the meaning of that paragraph?—A. Not recently, anyway.

Q. Within your knowledge?—A. I would have to go back a long way. I am not prepared to say now.

Q. Are you aware, as a responsible officer of your department, that there are cases in the Exchequer Court construing paragraphs such as that, precluding any claims for delays?—A. That is not my impression.

By Mr. Ilsley:

Q. Is it the practice of the department to allow claims for delays caused by the Crown?—A. In cases of this kind where the department interrupts the work and lays certain extra charges on the contractor, the practice is to allow reasonable claims by the contractor.

Q. Precisely, because that is only fair?—A. Yes.

Q. Otherwise it might be interrupted ten times instead of twice?—A. Yes.

By Mr. Ernst:

Q. When the contract was completed, what claim for extras did Mr. MacMillan submit? Have you a copy of them in your files?—A. He submitted two claims for extras.

Q. Will you produce them?

By Mr. Duff:

Q. Mr. Desbarats, in order to get this matter in sequence, you had a report from your officials and Mr. Black and the architect agreed that everything was all right. When was the ban put on the second stoppage?—A. When was the stoppage lifted?

Q. Yes, the second one—and by whom?—A. This is a note dated August 10, from the Minister's private secretary to the Deputy Minister: "With reference to joint service magazine, Bedford Basin, Halifax, N.S.: I am directed to advise you that this work may be proceeded with."

By Mr. Power:

Q. What is the date of that?—A. August 10.

Q. Signed by whom?—A. Mr. F. W. McDowell, private secretary. On the same day, the 10th of August, instructions were sent to the District Officer Commanding at Halifax, as follows: "Reference engineers 141 July 27: Construction of magazine may now be proceeded with; notify MacMillan." That is signed by the Quartermaster General.

By Mr. Duff:

Q. Did anybody in Halifax advise that there was no objection to the work and that it should be gone on with, before the private secretary gave instructions that the work should proceed? There must have been some letter or telegram from somebody?—A. Not to me nor to the department. There is a report from our Commanding Officer, but that did not give us any authority.

Q. For what reason did you act?—A. On the instructions of the private secretary.

Q. That is all you had—just the private secretary's instructions?—A. Yes.

By Mr. Power:

Q. You were about to read a telegram?—A. I thought that was what Mr. Duff was asking for.

Q. What is the date of it?—A. It is a telegram to the Quartermaster General dated at Halifax August 9: "Haines and self interviewed Mr. Black and architect, Halifax, and heard criticisms. Made explanations and satisfied both. Mr. Black wiring Ottawa to proceed with the contract."

By Mr. Duff:

Q. Have you any telegram from Mr. Black?—A. Yes. It is a telegram addressed to H. W. Brown, Acting Deputy Minister, National Defence, dated Halifax, August 7th. It merely says he will meet these two officers.

By Mr. Parent:

Q. When you speak of the private secretary having sent a telegram, what private secretary do you mean?—A. The private secretary of the Minister?

Q. Hon. Mr. Guthrie?—A. Yes.

By Mr. Beaubien:

Q. Is it usual for your department to take important actions such as you did here on instructions from the secretary of the Minister?—A. Yes, the secretary in issuing anything of that kind is speaking for the Minister.

By Mr. Ernst:

Q. Will you read the claims now for extras?—A. I have a report here from the District Officer Commanding at Halifax.

Q. First read Mr. MacMillan's claim and make it intelligible in relation to the report.—A. It was enclosing the claim. This is not the report; this is merely enclosing the claim. He says:—

"Joint Service Magazine, Bedford Basin.

"With reference to N.D.H.Q. letter of the 12th January, 1927, on the marginally noted subject:—

"The attached copy of a letter from the contractor, Mr. A. S. MacMillan, is forwarded herewith for information.

"Before submitting comments and recommendations it was desired to discuss some of the items with the contractor but as Mr. MacMillan has been out of town on business most of the time lately, it has not yet been possible to go fully into this matter and it is therefore considered better to send the information as it stands without further delay.

"If desired, recommendations will be submitted at a later date after the matter has been fully gone into.

“(Sgd.) H. C. THACKER,

“Major-General,

“D.O.C. Military District No. 6.”

By Mr. Duff:

Q. What is the date of that?—A. The third February 1927.

Q. What is Mr. Thacker's position?—A. District Officer Commanding, Halifax. This is headed "Ninety-one Hollis Street, Halifax, N.S." and is dated January 27th, 1927:—

"Attention Lieutenant Colonel P. S. Benoit.

"DEAR SIR,—I enclose herewith two statements with reference to additional costs in connection with the construction of the Magazine buildings at Bedford Basin.

"The first statement shows the expenses incurred between July 9th and August 11th, which were due entirely to the work being stopped on July 6th, and not finally proceeded with until August 11th.

"The second statement shows the additional cost of doing the work out of season.

"With reference to my claims in connection with both statements referred to, I beg to point out the actual conditions affecting the work, which results in the enclosed statement of claim.

"In the first place, let me say that my tender was forwarded in the usual way, to the Director of Contracts at Ottawa, accompanied by the usual certified cheque.

"On June 28th I received a wire from the Director of Contracts, advising that my tender had been accepted, and asking me to acknowledge receipt of same, which I did on June 29th.

"I immediately started making plans, and the necessary arrangements preparatory to beginning the work. On the 6th July, I received a letter from your Department, advising me that the matter was to stand in abeyance. On the 9th July I received another letter, advising me to proceed with the work.

"I promptly resumed preparations for starting work, removing my teams from the woods where they were working, and assembling my plant and material, which, in due time, was shipped to the job. I started my mills cutting the lumber required, and as soon as my equipment arrived on the work, I proceeded to carry out the terms and conditions of the contract.

"In the meantime, the contract was signed by me in your office on the 21st day of July.

"I went over the ground with the Departmental Engineer, who laid out the work for me before operations were started.

"On the 28th July, I received a telephone message from your Department, later confirmed by a letter, instructing me not to proceed with the work. In the meantime, I had not only started operations, but had made arrangements for materials of various kinds and descriptions. After waiting for several days, I thought it best to cancel all contracts made for material, my teams and equipment were shipped back to Antigonish; the foreman and superintendent who were engaged under contract, and who had incurred considerable expense, I was obliged to carry over. The men whom I had brought in from other places to work on the job were forwarded at considerable expense to one of my milling outfits in Antigonish, and set to work on jobs that they were unfamiliar with, but I was under obligation to take care of them.

"On the 11th of August, I was notified by letter from your Department to again proceed with the work. I immediately arranged to assemble plant, men, etc., as speedily as possible, but, as you are well

[Mr. G. J. Desbarats.]

aware, I lost six weeks of the best working weather of the year, and instead of completing the contract in October, as would have been the case, I had to carry into November, December and January, under winter conditions, which increased costs, in some cases, more than 100 per cent.

"Second Statement: With reference to this, I may say that ordinary labour, which includes pick and shovel men, labourers of all kinds and description, rough carpenters, and every other person engaged, with the exception of the trades where expert labourers or mechanics are required, I find my pay-rolls for the months of November, December and January to be approximately \$6,500. The work carried on by these men was undoubtedly increased 50 per cent, \$3,250, due in a large measure to the fact that earth work, usually done with teams, certain portions of it we were obliged to complete with men and wheel-barrows, on account of frozen conditions, together with snow. Nearly all work on the railway was done under snow and frozen conditions, and we were obliged on more than one occasion to shovel the snow to a depth in some cases of six feet out of the railway cuttings, before we could place the ballast and properly lift and align the track, also many other items to which it is unnecessary for me to refer.

"Item No. 2, Teams and Trucking: This item alone is a serious one, due to the fact that truckage under conditions with mud up to the axles, and also that we were unable to use motor trucks on any part of the ground, caused an increase in truckage of at least 100 per cent.

"Item No. 3: Bricklaying: An increase in cost of 10 per cent, due to weather conditions.

"Item No. 4, Plastering: The same increase, 10 per cent in cost, due to weather conditions, and the necessity of heating the buildings and keeping them heated; also heating sand in order to screen properly.

"Item No. 5, Carpenter work on Married Quarters: This work was sublet at an increase of 20 per cent over the cost of doing the work under summer conditions.

"Item No. 6, Laying Asbestos Shingles: Same thing applies.

"Item No. 7, Painting: 15 per cent increase I think is the usual under conditions such as prevail.

"Item No. 8, Fuel for heating: It was necessary to keep all these buildings heated, also the cost of heating camps, bunk-houses, etc., which would not be necessary in summer weather.

"Item No. 9, Lighting: The same.

"Item No. 10, Additional cost of lumber: This is a rather serious matter, as in the first instance I had started my own mills, cutting the necessary lumber. Upon the contract being stopped, I changed to other work, and when I received orders to start again, my mills were shut down for the season. I was, therefore, obliged to go into the market and purchase the lumber and ties, and a certain amount of the dimension stock, which I found very difficult to procure, and was obliged to pay in some cases as high as \$10.00 per M. above the market price in order to secure the same.

"In addition to this, there were other serious delays, which held up the work.

"Item No. 11, Loss in Cook-house: This was due in a large measure to being obliged to keep the cook-house open so late in the season, and also the fact that we were not able to carry a full force of men on account of the conditions under which we were obliged to work.

[Mr. G. J. Desbarats.]

"Item No. 12, Overhead: The amount referred to in this item is the usual; the Contractor's time, office rent, telephones, hire of motor cars, etc. You will note that this is for December and January, as there is a similar item in the first statement which takes care of the overhead for July and up to August 11th.

"I trust that this matter will receive immediate consideration. On account of the matters referred to the work has been carried on at a loss."

"Yours truly,
(Sgd.) A. S. MACMILLAN."

By Mr. Ilsley:

Q. Was there a report made on that by your own officials to check up his statement?

Mr. ERNST: Perhaps we could get his statement first.

WITNESS: The statement of claim follows:—

Q. Yes, will you read that?—A. The statement of claim

"No. 1; cost on account of work on Magazine Contract being stopped by order of the Department on July 6th and not proceeded with until August 11th, 1926."

I think there is a mistake in the date in the heading.

"Cost of teams, July 9th to August 11th, 1926....."	\$ 588 00
Transferring outfit to and from Halifax, including freight, fares and other expenses.	185 00
Superintendent and Foreman, salary and travelling expenses, including board.	440 00
Cost of opening and closing of Camp, and other expenses connected therewith.	250 00
Time, board and travelling expenses of men brought to work, and returned to their homes.	165 00
Overhead, including office expenses, hire of cars, Contractor's time, etc.	1,100 00
Total.	\$ 2,728 00

Q. Then there is another statement. Will you read the whole thing to the Committee?—A. Statement No. 2.

"Extra cost of work on Magazine Contract due to Fall and Winter conditions after November 1st, 1926.

No. 1. Ordinary labour, Nov., Dec., January....."	\$ 3,263 54
No. 2. Teams and Trucking.....	1,100 00
No. 3. Bricklaying, 10 per cent.....	197 90
No. 4. Plastering, 10 per cent.....	45 00
No. 5. Carpenter work Married Quarters, 20 per cent.....	234 00
No. 6. Laying asbestos shingles, 15 per cent.....	54 15
No. 7. Painting, 15 per cent.....	165 00
No. 8. Fuel for heating.....	112 00
No. 9. Lighting	40 00
No. 10. Additional cost of lumber and expenses due to delays in delivery.	550 00
No. 11. Loss in Cook-house, November, December, January.....	300 00
No. 12. Miscellaneous accounts.	945 00
Overhead, December and January, including office, motor cars, telephones, telegram, and Contractor's time....	2,000 00
Total.....	\$9,006 39
Statement No. 1 carried forward.....	\$2,728 00
Total.....	\$11,734 39

Q. Now, Mr. Desbarats, on what recommendation or evidence or investigation was that paid, or was any portion of it paid?

[Mr. G. J. Desbarats.]

By Hon. Mr. Manion:

Q. Was there anything in the contract as to the season of the year during which this was to be done, or the months in which it was to be done.—A. No there would be nothing in regard to that.

By Mr. Duff:

Q. Was it to be done in a specified time?—A. Yes, fifteen weeks.

Q. Fifteen weeks that would be 21st June?

By Mr. Ernst:

Q. From the 21st July, that is?

By Mr. Duff:

Q. Let me ask the question, please. Just a moment, I want to get this clear. I understood you to say in your evidence that Mr. MacMillan first started work about the third July.—A. He was notified that his tender had been accepted on the third July.

By Mr. Power:

Q. In June?—A. No, in July.

Q. You stated quite definitely that he had received a telegram from your Department on the 28th June that his tender had been accepted?

The CHAIRMAN: Yes, that is my recollection of it.

Mr. ERNST: Yes, that is quite right.

By Mr. Duff:

Q. Well, Mr. Desbarats, is it not a fact that Mr. MacMillan proceeded with the work on the 3rd July?—A. I would like to get that date cleared up. I think he was notified on the 28th June.

Q. But is there not evidence in your file to prove that he was notified on the 3rd July not to proceed, and he was held up until the 8th.

Mr. ERNST: No, the 6th July to the 9th.

WITNESS: He was ordered to proceed on the 28th June.

By Mr. Duff:

Q. Then, under the contract, he was supposed to complete the work in fifteen weeks from about that date?—A. That would be the intention.

By Hon. Dr. Edwards:

Q. I want to ask one question, which is this: Would the fifteen weeks date from the time of the signing of the contract?

By Mr. Ernst:

Q. Yes. Will you turn up the contract and see, Mr. Desbarats?

Mr. POULIOT: First of all we heard something about fifteen weeks, but Mr. Desbarats did not answer that question. And before taking the fact that he had fifteen weeks within which to fulfill his contract, we must know whether he really had fifteen weeks to complete his contract.

Mr. DUFF: I was asking that question, Mr. Pouliot, if you please.

Mr. POULIOT: I wanted Mr. Desbarats to answer that very question.

Hon. Mr. EDWARDS: Do the fifteen weeks date from the signing of the contract?—A. The contract reads, "Within fifteen weeks from the 21st day of July, 1926."

Q. And that was the date of the signing, was it not?—A. Yes.

Mr. ILSLEY: But he had been instructed to go to work in July?

[Mr. G. J. Desbarats.]

By Mr. Duff:

Q. Is it not a fact that Mr. MacMillan started work before the time that that contract is signed, on your file.—A. Oh, undoubtedly.

Q. Then is it not reasonable to say that the time should be fifteen weeks from the time when Mr. MacMillan started?—A. That is a different thing.

The CHAIRMAN: There is a specific statement here in the contract, "Within fifteen weeks from the 21st July, 1926;" and the contract is dated the 21st July, 1926.

Mr. POULIOT: May I bring before the Committee the fact that it is too bad that we did not have the whole contract read.

By Mr. Ernst:

Q. Mr. Desbarats, may I ask this, in order to make the matter clear to the Committee; there were two stoppages of work, one from the 6th to the 9th July,—is that right?—A. I do not think the date is quite correct.

Q. Will you give the dates of the two stoppages?—A. The notice to stop work was sent from Ottawa on July 3. And on July 8 instructions were sent to resume work.

By Mr. Pouliot:

Q. As you have already said?—A. Yes. That is five days.

By Mr. Ernst:

Q. Now, will you give us the date of the second stoppage.—A. On July 27, I gave instructions to the Quartermaster General to have the work suspended.

Q. And resumed when?—A. On August 10 instructions were wired to Halifax that work was to be resumed.

Q. So that the total stoppage, then, was what? Nineteen days—is that right?—A. I am just trying to check it—you have the dates there.

The CHAIRMAN: Nineteen days.

By Mr. Ernst:

Q. Now, what was the actual amount paid by the Department to Mr. MacMillan on his claims for stoppage.

By Mr. Ilsley:

Q. I object to the twisting of the chronological sequence in that manner. I asked a question which I think I was in order in asking, and asked it twice. I asked the witness to give us the report of his officials on Mr. MacMillan's claims.

By Mr. Ernst:

Q. Alright, give us the report of the officials, now.—A. This is a report on extras claimed by Mr. A. S. MacMillan, contractor, Bedford Magazine:—

"Re Statement No. 1.

"Although the amount shown cannot be checked exactly, it is known that Mr. MacMillan took the action for which he claims extras. The contractor's office in Halifax was kept on for the purpose of this contract, otherwise, it would have been closed as all his other work was in Antigonish.

"The amounts seem fair and reasonable and are recommended for payment.

"Re Statement No. 2.

"(1) Ordinary Labour:—

"Although the weather during the past autumn was generally fine, the ground, as is always the case, was damp and sticky. This necessi-

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tated a considerable amount of pick and shovel work where scrapers could have been used earlier in the season. The soil was harder to handle and the effective working hours shorter. This helped to increase the delay in completion and allowed the work to run into winter conditions with snow and ice.

"There was also a considerable delay due to the re-designing of the heating systems.

"Item recommended.

"(2) Teams and trucking:—

"The conditions explained above made trucking very heavy. An earlier start in the summer would have permitted of laying down the tramway first and using same for transporting much of the material where there were no roads. This would have saved considerable on trucking. Owing to delays, the tramways were not available until late in the autumn.

"Item recommended.

"(3)

"(4) } Contractor's reasons are concurred in and percentages reasonable.

"(5) } Items recommended.

"(6)

"(7)

"(8) Fuel for Heating:—

"With work done in summer months no fuel would have been required, except for asphalt work.

"Item recommended.

"(9) Lighting:—

"Owing to short days and in cases of magazine buildings restricted window area, artificial lighting became necessary.

"Item recommended.

"(10) Additional cost of lumber:—

"Mr. MacMillan drew attention to this point at the time and the contention seems reasonable.

"Item recommended.

"(11) Loss in Cook-house:—

"Explanation is reasonable and this item is recommended.

"(12) Miscellaneous accounts:—

"(Note that Mr. MacMillan, in his letter, explains the next item, which should be marked (13), under this para.).

"Detail of this item is as follows:—

"(a) Traverses 738 cubic yards extra. 516 00

"The Contractor is calculating the amount from railway cuttings under para. 'Grading', Construction of narrow gauge railway, page 48 of Specifications, assumed the 100 feet, to be taken from the centre of mass of traverses, instead of 100 feet, from the nearest centre line of any traverse. This does not appear to be the spirit of the specifications but the contractor states that he tendered on that basis.

"(b) Concrete at base of lightning conductors. 64 00

"The plans call for loose rock.

"As the base of the pipe was given as 5 feet below ground level and as in some cases the height of the traverse (above

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ground level) was scarcely enough to firmly hold the pipe, it was decided to put in a mass of concrete in the place of loose stone packing.

"This item is recommended.

"(c) Boiler house drains. 95 00

"Plans show a sub-soil drain around the boiler houses but no outfall, nor is this definitely mentioned in the specifications. (See Para. Drains, page 2 of Specifications).

"These had to be put in. It is recommended that the contractor be given the benefit of the doubt.

"(d) Extra tile. 270 00

"This has already been explained in H. letter of December 28, 1926, attached schedule, Para. 4, and also contractor's letter attached thereto. The contractor appears to have misunderstood the specifications in this respect and there does not seem to be any reasonable ground for recommending this item.

Total. \$ 945 00

"(13) (This should be the number of the last item).

Overhead, etc. 2,000 00

"This includes the contractor's office and staff in Halifax and also his engineer. The amount seems reasonable and is recommended for payment.

"(Sgd.) B. BENOIT,

"Lieut-Colonel, R.C.E. D.E.O., M.D. No. 6."

Q. Now, what was the actual amount paid by the Department as extras?

By Mr. Power:

Q. In order to keep it straight may I ask what amount did Col. Benoit concur in? As I understand it he had some objection to some of the items. Now, will Mr. Desbarats let us know what amount he was willing to concur in as to the eleven thousand dollars of extras.—A. He recommended the total claim with the exception of two items, which amounted to \$786.

By Hon. Mr. Manion:

Q. Out of the total of what?—A. \$11,734.39; leaving a balance of \$10,948.39.

Q. Which was paid?—A. Yes.

By Mr. Ernst:

Q. Before that was paid, that recommendation would be sent to your Department, in ordinary course?—A. Yes, Col. Benoit would forward it to his superior, and he would forward it to the Department.

Q. And you concurred in it?—A. Yes.

Q. Who in your Department would it come to first?—A. It would go to the director of engineer's services, Col. Caldwell, who would pass upon it, and then to the Quartermaster General, and then to myself.

Q. And then where?—A. With a report and recommendation to the Minister, who made a report to the Council recommending payment.

Q. That is the Governor in Council?—A. Yes, and an Order in Council was made authorizing payment.

Q. And when was payment actually made?—A. I would have to look at the vouchers for that. That was paid on the 31st March, 1927.

[Mr. G. J. Desbarats.]

By Mr. Pouliot:

Q. Who signed the cheque, what was the number of the cheque, on what bank was it drawn, and on what day was it presented for payment?—A. The cheque is dated Halifax, March 31, and is drawn on the Bank of Montreal at Ottawa.

By Mr. Ernst:

Q. Before you recommended payment, did you consult with the Law Officers of the Crown in any way.—A. Do you mean with the Department of Justice?

Q. Yes.—A. No.

Q. Outside of the officials of your own Department?—A. No.

Q. Was there any further investigation of these amounts than that contained in the report of Col. Benoit, to your knowledge?—A. Oh, there was the verbal consultation which would always take place.

Q. Any inquiry that you know of into the accounts of Mr. MacMillan?—A. No. That was covered by the certificate of the local engineer.

Q. You recommended payment, I believe, to the Minister.—A. Oh, yes.

Q. As a matter of fact, did the Minister approach you in regard to the matter before you recommended payment.—A. No.

Q. In any way?—A. I have no recollection of it.

Q. Was Mr. MacMillan in Ottawa before payment, at any time during March, 1927.—A. I have no knowledge.

Q. Would you know him if you saw him?—A. Yes.

Q. You have no recollection, you say, of Mr. MacMillan being in Ottawa.—A. No.

Q. And you say you have no recollection of the Minister consulting with you before you recommended payment.—A. No, in the ordinary course of events, I would go through the accounts and bring them to the Minister with my recommendation.

Q. Was there any inquiry under oath as to the validity of those accounts, any verification by affidavit?—A. Not that I know of.

By Mr. Pouliot:

Q. About the second stoppage in August, you say the work was stopped, but I do not understand clearly when it was resumed in August.—A. It was stopped at the end of July.

Mr. ERNST: Nineteen days stoppage.

By Mr. Duff:

Q. Then the amount of something over ten thousand dollars was recommended by your officials and paid by your Department because of the delay from the 3rd July to the 10th August?—A. Yes.

Q. He really did not get started again until after the 10th August.—A. No.

By Hon. Mr. Edwards:

Q. Does that cover both delays?

Mr. DUFF: Yes.

Hon. Mr. MANION: The two delays took nineteen days.

Mr. ERNST: I want to make a motion now, Mr. Chairman.

Mr. POWER: May I ask Mr. Desbarats some questions before the motion is made?

Q. Mr. Desbarats, in this matter you followed the procedure usual in the Department, did you not?—A. Yes.

Q. That is to say to have the approval of the Officer on the ground, followed by the approval of the head of that Branch in the Department, followed

[Mr. G. J. Desbarats.]

by the approval of the Quartermaster General, and then of yourself.—A. Yes. The Officer on the ground is the best judge of the facts. The Officers at headquarters have to rule on the reasonableness of the reasons for the application. The facts are taken on the certificate of the officer on the ground.

Q. You are by profession an engineer, are you not?—A. Yes.

Q. And you have some knowledge of the custom which prevails, and of the usual routine in dealing with matters such as claims for extra expense in matters of this kind.—A. Yes, I have had lots of experience.

Q. And is it usual, both in the Department, and to your knowledge, with outside firms and companies, that a procedure, such as in this case, should be followed.—A. Yes, we followed the usual procedure.

Q. In your opinion, had this work been carried out for say, the Canadian Pacific Railway or any other large company, and stoppages of this nature had occurred owing to the fault of the company, would extras have been paid.—A. Oh, yes, companies generally follow that procedure, and take that view.

Mr. ERNST: With the consent of the Committee, I want to ask Mr. Desbarats some further questions, but it is now one o'clock. In view of the nature of the extras, I think it would be advisable to have Mr. MacMillan called here before the Committee, and I have a motion, seconded by Mr. F. Smoke:

"Mr. W. G. Ernst moved, seconded by Mr. F. Smoke, that Mr. A. Stirling MacMillan, of Halifax, N.S., be summoned and required to appear at Ottawa on Wednesday next, the 17th day of April, 1929, at 11 o'clock a.m., in Committee Room No. 425 and give evidence before the Select Standing Committee of the House of Commons on Public Accounts respecting payment of \$72,138.39 to him, the said A. Stirling MacMillan, in connection with construction work at Bedford Basin, as set out at page Q-63 of the Report of the Auditor General for the fiscal year ended 31st March, 1927; and that he bring with him and then and there produce all books of account, time sheets, pay rolls, vouchers, cheques, bank books and other documents of whatsoever kind containing any entry or memorandum relating to work performed under contract or in respect to which a claim for extras was submitted comprised in or in connection with payment of the above named sum; and further that he do remain in attendance until duly discharged."

Mr. DUFF: Before that resolution is put, there is no objection to Mr. MacMillan being summoned, and I am sure Mr. MacMillan will be very glad to attend whenever he can do so. I do not think it would be fair however to ask the Liberal Party in that House to release Mr. MacMillan from his duties in order that he may come here; and I would like it understood that if the Leader of the Liberal Party in Halifax interferes with Mr. MacMillan leaving at the present time, my friend should not raise any question about it.

Mr. ERNST: I do not know when that House will rise. I do not want him to appear here until their House rises, unless he so wishes.

The CHAIRMAN: He is not to appear here before that House rises?

Mr. ERNST: Yes. You can summon him, but you cannot compel his attendance.

Mr. LAWSON: Why should this Committee issue a subpoena which it cannot enforce?

Mr. POWER: I would suggest that the Secretary of the Committee write to Mr. MacMillan asking when it would be convenient for him to attend.

Mr. ERNST: I would be quite content with that, Mr. Chairman. There is no reason why the Secretary should not telegraph Mr. MacMillan instead of writing. I am content that this motion shall stand in the meantime.

Witness retired.

The Committee adjourned till Wednesday, April 17, 1929, at 11 o'clock.

APPENDIX

Telegram Engineers 127 d/30-6-26.
H.Q. 878-8-5C.
H. 27.15.1.

DEPARTMENT OF NATIONAL DEFENCE
CONTRACT AND SPECIFICATIONS

*For the construction of buildings and various works in connection therewith.
Construction of Narrow Gauge Railway. Earth excavation for Traverses.
Sinking well near married quarters. Joint Service Magazines, Bedford,
for the Department of National Defence.*

Amount of Contract \$57,900.00
\$0.70c. per cubic yard. Traverses.
\$5.00c. per lineal ft. for 1st 100 ft. }
\$6.00c. per lineal ft. for 2nd 100 ft. } well

Date of Contract 30.6.1926
Date of order to commence 191
Date of work to be completed 191
Date of completion 191

A. STIRLING MacMILLAN,
Contractor.

THIS INDENTURE made the twenty-first day of July one thousand nine hundred and twenty-six, between A. Stirling MacMillan, 93 Hollis Street, Halifax, N.S., hereinafter called "The Contractor" of the first part, and His Majesty King George the Fifth, represented herein by the Minister of National Defence, of the second part, Witnesseth that in consideration of the covenants and agreements on the part of His Majesty hereinafter contained, the Contractor covenants and agrees with His Majesty as follows:—

1. In this Contract the word "work or works" shall, unless the context requires a different meaning, mean the whole of the work, and materials, matter and things required to be done, furnished and performed by the Contractor under this Contract. The word "Engineer" shall mean the Engineer of the Department of National Defence for the time being having control over the work, and shall extend to and include any of his assistants, Local Architect or Engineer, Clerk of Works, or foreman, acting under his instructions, and all instructions or directions, or certificates given, or decisions made by any one acting for the Engineer, shall be subject to his approval, and may be cancelled, altered, modified and changed, as to him may seem fit.
2. All covenants and agreements herein contained shall be binding on and extend to the Executors and Administrators of the Contractor and shall extend to and be binding upon the successors of His Majesty, and wherever in this Contract His Majesty is referred to, such reference shall include His Successors, and wherever the Contractor is referred to, such reference shall include his Executors and Administrators.
3. That the Contractor will, at his own expense, provide all and every kind of labour, machinery, tools and other plant, materials, articles and things whatsoever, together with the cartage and carriage thereof, necessary for the due execu-

tion and completion of all and every the works set out or referred to in the specifications hereunto annexed, and in the plans and drawings prepared and to be prepared for the purposes of the work, and will execute and fully complete the respective portions of such works and deliver the same complete to His Majesty at the times following, namely—

Within 15 weeks from the twenty-first day of July, 1926.

(Sgd.) A. S. MacMILLAN,
Contractor.

G. DESBARATS
Deputy Minister.

The said works to be constructed of the best material of their several kinds (except where otherwise distinctly specified), and finished in the best and most workmanlike manner, in the manner required by, and in strict conformity with the said specifications, and the drawings relating thereto, and the working or detail drawings which may from time to time be furnished (which said specifications and drawings are hereby declared to be part of this contract); and to the complete satisfaction of the Engineer for the time being having control over the works.

4. That the several parts of this Contract shall be taken together to explain each other and make the whole consistent; and if it be found that anything has been omitted or misstated, which is necessary for the proper performance and completion of any part of the work contemplated, the Contractor will, at his own expense, execute the same as though it had been properly described, and the decision of the Engineer shall be final as to any such error or omission, and the correction of any such error or omission shall not be deemed to be an addition to or deviation from the works hereby contracted for.

5. The Engineer shall be at liberty at any time, either before the commencement or during the construction of the works or any portion thereof, to order any extra work to be done, and to make any changes which he may deem expedient in the dimensions, character, nature, location or position of the works, or any part or parts thereof, or in any other thing connected with the works, whether, or not, such changes increase or diminish the work to be done, or the cost of doing the same, and the Contractor shall immediately comply with all written requisitions of the Engineer in that behalf, but the Contractor shall not make any changes in or additions to, or omissions, or deviation from the works, and shall not be entitled to any payment for any change, addition, deviation, or any extra work, unless such change, addition, omission, deviation, or any extra work, shall have first been directed in writing by the Engineer, and notified to the Contractor in writing, nor unless the price to be paid for any addition or extra work shall have been previously fixed by the Engineer, in writing, and the decision of the Engineer as to whether any such change or deviation increases or diminishes the cost of the work, and as to the amount to be paid or deducted, as the case may be in respect thereof, shall be final, and the obtaining of his decision in writing as to such an amount shall be a condition precedent to the right of the Contractor to be paid therefor. If any such change or alteration constitutes, in the opinion of the said Engineer, a deduction from the works, his decision as to the amount to be deducted on account thereof shall be final and binding.

6. That all clauses of this Contract shall apply to any changes, additions, deviations or extra work, in like manner, and to the same extent as to the works contracted for, and no changes, additions, deviations, or extra works shall annul or invalidate this Contract.

7. That if any change or deviation in or omission from the works be made by which the amount of the work to be done shall be decreased no compensation shall be claimable by the Contractor for any loss of anticipated profits in respect thereof.

8. That the Engineer shall be the sole judge of work and material in respect of both quantity and quality, and his decision on all questions in dispute with regard to work or material, or as to the meaning or intention of this contract, and the plans, specifications and drawings shall be final, and no works or extra or additional works or changes shall be deemed to have been executed, nor shall the Contractor be entitled to payment for the same, unless the same shall have been executed to the satisfaction of the Engineer, as evidenced by his certificate in writing, which certificate shall be a condition precedent to the right of the Contractor to be paid therefor.

In the valuation of material and workmanship for any alterations, omissions or additions, all measurements to be taken net without any allowance for waste, openings, etc., and without any reference to any local custom to the contrary notwithstanding.

9. In case any part of the work is to be executed at Schedule prices then it is hereby distinctly understood and agreed that the respective portions of the work set out or referred to in the list of Schedule prices to be paid for the different kinds of work, include not merely the particular kind of work or materials mentioned in said list or Schedule, but also all and every kind of work, labour, tools, and plant, materials, articles, and things whatsoever necessary for the full execution and completion ready for use of the respective portions of the works to the satisfaction of the Engineer. And in case of dispute as to what work, labour, material, tools and plant are or are not so included, the decision of the Engineer shall be final and conclusive.

10. A competent foreman is to be kept on the ground by the Contractor during all the working hours, to receive the order of the Engineer, and should the person so appointed be deemed by the Engineer incompetent, or conduct himself improperly, he may be discharged by the Engineer, and another shall at once be appointed in his stead; such foreman shall be considered as the lawful representative of the Contractor, and shall have full power to carry out all the requisitions and instructions of the Engineer.

11. In case any materials or workmanship are, in the opinion of the Engineer, not in accordance with this Contract, or not sufficiently good or otherwise unsuitable, to be used for or brought to the intended works, or in case any work be improperly executed, the Engineer may require the Contractor to remove the same, and to provide proper material or other things, or properly re-execute the work, as the case may be, and thereupon the Contractor shall and will immediately comply with the said requisition; and if twenty-four hours shall elapse and such requisition shall not have been complied with, the Engineer may cause such material or other things, or such work, to be removed, and in any such case the Contractor shall pay to His Majesty all such damages and expense as shall be incurred in the removal of such material, materials, or other things, or of such work, and of replacing the same with goods and satisfactory materials, work or other things, or His Majesty may, in His discretion, retain and deduct such damages and expenses from any amounts payable to the Contractor.

12. All machinery and other plant, materials and things whatsoever, provided by the Contractor for the works hereby contracted for, and not rejected under the provisions of the last preceding clauses, shall, from the time of their being so provided, become, and until the final completion of the said works, shall be the property of His Majesty for the purposes of the said works, and the same shall on no account be taken away, or used or disposed of, except for the

purposes of the said works, without the consent in writing of the Engineer, and His Majesty shall not be answerable for any loss or damage whatsoever which may happen to such machinery or other plant, material or things, provided always that upon the completion of the works and upon the payment by the Contractor of all such moneys, if any, as shall be due from him to His Majesty, such of the said machinery and other plant, materials and things as shall not have been used and converted in the works, and shall remain undisposed of shall, upon demand, be delivered up to the Contractor.

13. If the Engineer shall at any time consider the number of workmen, horses, or quantity of machinery or other plant, or the quantity of proper materials, respectively employed or provided by the Contractor on or for the said works, to be insufficient for the advancement thereof towards completion within the limited times, or that the works are or some part thereof is not being carried on with due diligence, then in every such case the said Engineer may, by written notice to the Contractor, require him to employ or to provide such additional workmen, horses, machinery, or other plant, or material, as the Engineer may think necessary, and in case the Contractor shall not thereupon within three days, or such other longer period as may be fixed by any such notice, in all respects comply therewith, then the Engineer may, either on behalf of His Majesty, or if he sees fit, may, as the agent of and on account of the Contractor, but in either case at the expense of the Contractor, provide and employ such additional workmen, horses, machinery and other plant, or any thereof, or such additional materials respectively as he may think proper, and may pay such additional workmen such wages, and for such additional horses, machinery and other plant and materials respectively, such prices as he may think proper, and all such wages and prices respectively, shall thereupon at once be repaid by the Contractor, or the same may be retained and deducted out of any moneys at any time payable to the Contractor; and His Majesty may use, in the execution or advancement of the said works not only the horses, machinery and other plant, and materials so in any case provided by any one on His behalf, but also all such as may have been or may be provided by or on behalf of the said Contractor.

14. In case the Contractor shall make default or delay in diligently continuing to advance or execute the works to the satisfaction of the Engineer and such default or delay shall continue for days after notice in writing shall have been given by the Engineer to the Contractor requiring him to put an end to such defaults or delay, or in case the Contractor shall become insolvent, or make an assignment for the benefit of creditors, or neglect either personally, or by a skilful and competent agent, to superintend the works, then in any such case His Majesty may take the work out of the Contractor's hands and employ such means as he may see fit to complete the work, and in such case the Contractor shall have no claim for any further payment in respect of the works performed, but shall nevertheless remain liable for any loss and damage which may be suffered by His Majesty by reason of the non-completion by the Contractor of the works; and all materials and things whatsoever, and all horses, machinery and other plant, provided by him for the purposes of the works shall remain and be considered as the property of His Majesty for the purposes and according to the provisions and conditions contained in the twelfth clause hereof.

15. The Contractor should be at the risk of, and shall bear all loss or damage from whatsoever cause arising, which may occur to the works, or any of them, until the same be fully and finally completed and delivered up to and accepted by the Minister of National Defence for the time being; and if any such loss or damage occur before such final completion, delivery and acceptance, the Contractor shall immediately, at his own expense, repair, restore and re-

execute the work so damaged, so that the whole works, or the respective parts thereof, may be completed within the time herein limited.

16. The Contractor shall not have or make any claim or demand, or bring an action or suit or petition against His Majesty for any damage which he may sustain by reason of any delay in the progress of the work, arising from the acts of His Majesty or of His Majesty's officers, servants or agents; and it is agreed that in the event of any such delay the Contractor shall have such further time for the completion of the works as may be fixed in that behalf by the Minister of National Defence for the time being.

17. The Contractor shall not without the consent of the Minister of National Defence, make any assignment of this Contract, or any sub-contract for the execution of any of the works hereby contracted for, except for the procuring of materials; and in any event no such assignment or sub-contract, even though consented to, shall exonerate the Contractor from liability under this contract, for the due performance of all the works hereby contracted for. In the event of any such assignment or sub-contract being made, then the Contractor shall not have or make any claim or demand upon His Majesty for any further payments under this contract for any further or greater sum or sums than the sum or sums respectively at which the work or works so assigned or sub-contracted for shall have been undertaken to be executed by the assignee or sub-contractor; and in the event of any such assignment or sub-contract being made without such consent, His Majesty may take the work out of the Contractor's hands and employ such means as he may see fit to complete the same; and in such case the Contractor shall have no claim for any further payments in respect of the works performed, but shall, nevertheless, remain liable for all loss or damage which may be suffered by His Majesty by reason of the non-completion by the Contractor of the works; and all materials and things whatsoever, and all horses, machinery and other plant provided by them for the purposes of the works, shall remain and be considered as the property of His Majesty for the purposes and according to the provisions and conditions contained in the twelfth clause hereof.

18. Time shall be deemed to be of the essence of this contract. If the Contractor fails to complete the contract within the time limit specified in Para. 3, he, in addition to any other damages, costs and expenses for which he may be liable under this contract, shall forfeit the cheque deposited by him as a security for the due performance of the contract.

19. Under the provisions of the statute in that behalf this contract is made subject to the express condition, that no member of the House of Commons of Canada shall be admitted to any share or part of such contract, or to any benefit to arise therefrom.

20. The Contractor shall be responsible for all damages claimable by any person or corporation whatsoever in respect of injury to any person, or to lands, buildings, ships or other property, or in respect to any infringement of any right whatsoever, occasioned by the performance of the said works, or by any neglect or misfeasance or non-feasance on the part of the said Contractor, his agents or servants, and shall or will at his own expense, make such temporary provisions as may be necessary for the protection of persons or lands, buildings, ships, or other property, or for the uninterrupted enjoyment of all rights of persons or corporations in and during the performance of the said works.

21. Should the Contractor not complete the works herein contracted for at the period agreed upon as above mentioned he shall be liable for, and shall cause to be paid to His Majesty all salaries or wages which shall become due to the person or persons superintending the work on behalf of His Majesty from the above named period for completion until the same shall actually be completed and accepted.

22. If the Contractor fails at any time in paying the salaries or wages of any person employed by him upon or in respect of the said work, or any of them, and any part of such salary is one month in arrear, or if there be due to any such person one month's wages or salary, the Engineer may notify the Contractor to pay such salary or wages, and if two days elapse and the same be not paid in full up to the date of payment or to such other date as may be in accordance with the terms of employment of such person, then His Majesty may pay to such persons their salary or wages from any date to any date and to any amount which may be due, and may charge the same to the Contractor, and the Contractor covenants with His Majesty to repay at once any and every sum so paid.

23. If the Contractor fails at any time to pay any person any account for any goods or materials supplied or for any money advanced to the said Contractor for the purpose of the said works, or to pay the account of any subcontractor for any work or materials done or supplied for the said works, and such account is in any of such cases one month overdue, the Engineer may notify the Contractor to pay such account, and if a week elapse and the same be not paid in full then His Majesty may pay such account and may charge the same to the Contractor, and the Contractor covenants with His Majesty to repay at once any and every sum so paid.

24. The Contractor shall not sub-let the said contract or any portion thereof, to any foreigner or to any corporation composed wholly or in part of foreigners, or employ, or suffer to be employed on the said work, any person who is not a British subject, or a bona fide resident of Canada, or who is not certified to by an agent of the Immigration Department of Canada, as having come to Canada as an immigrant, intending to bona fide settle in this country; unless either the Minister is satisfied that there are not available sufficient persons of these classes to enable the Contractor to complete the work within the time limited therefor, or there be some other reason which shall be deemed by the Minister sufficient in the public interest; in which case or cases, and so far as the Minister may deem it necessary, and for any particular portion or portions of the work, and for any specified period or periods, and as to any particular number of persons the Minister may, from time to time, consent in writing to the employment of such persons as are hereby otherwise prohibited. Upon any wilful or negligent breach of this covenant being established to the satisfaction of the Minister, the Contractor shall be liable to forfeit, as liquidated damages, such sum as the Minister may determine upon, for each day any prohibited person may be so employed.

25. The wages to be paid in the execution of this contract shall be those generally accepted as current in each trade for competent workmen in the district where the work is carried on. If this condition is violated the said party of the second part may cancel the contract and refuse to accept any work done thereunder. No workmen employed upon the said work shall at any time be paid less than the minimum rate of wages set forth in the fair wages schedule attached.

26. The Contractor shall post in a conspicuous place on the Public Works under construction, the schedule of wages inserted in his contract for the protection of the workmen employed.

27. The Contractor shall keep a record of payments made to workmen in his employ, and the books or documents containing such record shall be open for inspection by the Fair Wages Officers of the Government at any time it may be expedient to the Minister of Labour to have the same inspected.

28. The Contractor will protect, and will not remove or destroy, or permit to be removed or destroyed the stakes or other marks placed on or about the said works, and shall furnish the necessary assistance to correct or replace any stake or mark which through any cause may have been removed or destroyed.

29. Any notice or other communication mentioned in this contract to be notified or given to the Contractor shall be deemed to be well and sufficiently notified or given if the same be left at the Contractor's office or mailed in any Post Office, to the Contractor or his foreman, addressed to the address mentioned in this contract, or to the Contractor's last known place of business.

30. And His Majesty, in consideration of the premises, hereby covenants with the Contractor, that he will be paid for any and in respect of the work hereby contracted for, and in the manner set out in the next clause hereof the several prices or sums following, viz:—

(1) Complete work as per plans and specifications, \$57,900.

(2) Earth excavation for Traverses, 70 cents per cubic yard.

(3) Sinking well near Married Quarters, for first 100 feet, \$5 per lineal foot. For second 100 feet, \$6 per lineal foot.

31. Cash payments equal to about ninety per cent of the value of the work done, and materials deposited on the site made up approximately from returns of progress measurements and computed at prices pro rata to the contract prices, will be made to the Contractor monthly on the written certificate of the Engineer that the work for, or on account of which the certificate is granted, has been duly executed to his satisfaction, and stating the value of such work computed as above mentioned—and upon approval of such certificate by the Minister of National Defence, for the time being, and the said certificate and such approval thereof shall be a condition precedent to the right of the Contractor to be paid the said ninety per cent or any part thereof. The remaining ten per cent shall be retained, till the final completion of the whole work to the satisfaction of the Engineer for the time being having control over the work, and within two months after such completion and acceptance, the remaining ten per cent will be paid. And it is hereby declared that the written certificate of the said Engineer certifying to the final completion of said works to his satisfaction shall be a condition precedent to the right of the Contractor to receive or be paid the said remaining ten per cent or any part thereof.

32. It is intended that every allowance to which the Contractor is fairly entitled will be embraced in the Engineer's monthly certificate, but should the Contractor at any time have claims of any description which he considers are not included in the progress certificate, it will be necessary for him to make such claims in writing to the Engineer within fourteen days after the date of the certificate in which he alleges such claims to have been omitted, and shall similarly repeat such claims after each subsequent certificate, until claims have been settled.

33. The Contractor in presenting claims of the kind referred to in the last clause must accompany them with satisfactory evidence of their accuracy, and the reason why he thinks they should be allowed. Unless such claims are thus made during the progress of the work, within fourteen days, as in the preceding clause, and repeated in writing every month, until finally adjusted or rejected, it must be clearly understood that they shall be forever shut out, and the Contractor shall have no claim on His Majesty in respect thereof.

34. The progress measurements and progress certificates shall not in any respect be taken as an acceptance of the work or release of the Contractor from responsibility in respect thereof, but he shall at the conclusion of the work deliver over the same in good order, according to the true intent and meaning of this contract.

35. His Majesty shall have the right to suspend operations from time to time at any particular point or points, or upon the whole of the works, and in the event of such right being exercised, so as to cause any delay to the Contractor then an extension of time equal to such delay or detainment, to be fixed by the Minister of National Defence as above provided for, shall be allowed

him to complete the contract, but no such delay shall vitiate or void this contract, or any part thereof, or the obligation hereby imposed on any concurrent or other Bond or Security for the performance of this contract, nor shall the Contractor be entitled to any claim for damages by reason of any such suspension of operations. And at any time after operations have been suspended either in whole or in part—such operations may again be resumed and again suspended and resumed, as His Majesty may think proper. And upon the Contractor receiving written notice on behalf of His Majesty that the suspended operations are to be resumed, the Contractor shall at once resume the operations and diligently carry on the same.

36. Should the amount now voted by Parliament and applicable towards payment for the work hereby contracted for be at any time expended previous to the completion of the works, the Minister of National Defence for the time being, may give the Contractor written notice to that effect. And upon receiving such notice the Contractor may, if he thinks fit, stop the work—but in any case shall not be entitled to any payment for work done beyond the amount voted and applicable as aforesaid—unless and until the necessary funds shall have been voted by Parliament in that behalf. And in no event shall the Contractor have or make any claim upon His Majesty for any damages or compensation by reason of the said suspension of payment, or by reason of any delay or loss caused by the stoppage of work.

37. The Contractor shall not permit, allow or encourage the sale of any spirituous liquors on or near the works.

38. No work whatever shall at any time be carried on during Sunday, and the Contractor shall take all necessary steps for preventing any foreman or agent or men from working or employing others on that day.

39. It is hereby agreed that all matters of difference arising between the parties hereto upon any matter connected with or arising out of this contract, the decision whereof is not hereby specially given to the Engineer shall be referred to the award and arbitration of the Engineer for the time being, having control over the works, and the award of such Engineer shall be final and conclusive; and it is hereby declared that such award shall be a condition precedent to the right of the Contractor to receive or be paid any sum or sums on account, or by reason of such matters in difference.

40. It is distinctly declared that no implied contract of any kind whatsoever, by or on behalf of His Majesty, shall arise or be implied from anything in the contract contained, or from any position or situation of the parties at any time, it being clearly understood and agreed that the express contracts, covenants and agreements herein contained and made by His Majesty, are and shall be the only contracts, covenants, and agreements upon which any rights against him are to be founded.

41. On the settlement of the contract accounts, all drawings which shall have been given to the Contractor for his guidance in carrying out the works, are to be returned by him to the Department of National Defence, Ottawa.

In witness whereof, the Contractor has hereunto set his hand and seal, and these presents have been signed and sealed by the Deputy Minister of the Department of National Defence of Canada, on behalf of His Majesty.

Signed, Sealed and Delivered by the Contractor in presence of

(Signed) P. S. BENOIT, Lt.-Col., R.C.E.

(Signed) A. S. MacMILLAN.

[Seal]

Signed, Sealed and Delivered by the Deputy Minister of National Defence in the presence of

(Signed) S. C. CLIGH.

(Signed) G. J. DESBARATS,
Deputy Minister of National Defence.

[Seal]

SPECIFICATIONS

For the construction of Buildings and various works in connection therewith, and for the construction of Narrow Gauge Railway; earth excavation for traverses; sinking Well near Married Quarters; Joint Service Magazines, Bedford Basin, N.S. for the Department of National Defence, with plans.

GENERAL CONDITIONS

Contractor to give personal superintendence.

1. The Contractor to give his personal superintendence and direction to the work, keeping also a competent foreman constantly on the ground. He is to provide all labour, transportations, materials, apparatus, scaffolding, and utensils necessary for the complete and substantial execution of everything described, shown, or reasonably implied in the drawings and specifications.

Contractor to lay out work.

2. The Contractor must carefully lay out his work, and be responsible for any mistakes he makes, and any injury to others resulting from them.

Reading the Plans.

3. When no figures or memoranda are given, the drawings shall be accurately followed according to that scale; but figures or memoranda are to be preferred to the scale in all cases of difference. In any case and all cases of discrepancy in figures, the matter shall be immediately submitted to the Director of Engineer Services, through the Officer in charge, for his decision, and without such decision said discrepancy shall not be adjusted by the Contractor save and only at his own risk; and in the settlement of any complication arising from such adjustment, the Contractor shall bear all the extra expenses involved.

Omissions.

4. The plan referred to in this specification represents generally the nature and extent of the works to be done and executed, and further plans or details, or in explanation of the original plans, or of work or works which have been omitted and are required, which shall or may be furnished during the progress of the work, shall be considered as covered by this specification, and their omission therefrom and supply at any future date, shall not in any way vitiate, invalidate or render nugatory in part or in whole, this specification or the contract which shall be entered into for the execution of the works referred to herein; and it is to be expressly understood that the provisos and stipulations they contain shall remain and apply to all omitted work that may be required, and to the detailed plans which may be furnished at any time during the progress of the work.

The plans and these specifications are to be considered co-operative; and all work necessary to the completion of the design drawn on plans and not described herein, and all work described herein and not drawn on plans are to be considered a portion of the contract and must be executed in a thorough manner, with the best materials the same as if fully specified.

The Director of Engineer Services, or Officer representing him, will supply full size drawings of all details when required, and any work constructed without such drawings, or not in accordance with them, must be taken down and replaced at the Contractor's expense.

Materials and workmanship.

5. All materials and workmanship to be of the best quality throughout.

Any materials delivered or work erected, not in accordance with the plans and these specifications, must be removed at the Contractor's expense and replaced with other material or work, satisfactory to the Director of Engineer

Services, or Officer representing him, at any time during the progress of the work; or in case the nature of the defect shall be such that it is not expedient to have it corrected, the Director of Engineer Services shall have the right to deduct such sums of money as he considers a proper equivalent for the difference in the value of the materials or work from that specified, or the damage to the work, from the amount due the Contractor on the final settlement of the accounts.

Contractor to protect works.

6. The Contractor will provide and sufficient safeguards and protection against the occurrence of any accidents, injuries, damages, or hurt to any person or property during the progress of the work, and shall be alone responsible, and not the Department of National Defence, who will not in any manner be answerable for any loss or damage that may happen to the work, or any part thereof, or for any of the materials or tools used and employed in finishing and completing the work.

Contractor to give facilities for inspection.

7. Every facility must be given the Director of Engineer Services for inspecting the work in safety.

Drawings property of Department.

8. The drawings are the property of the Department of National Defence and must be returned to the Director of Engineer Services, Ottawa, before the final payment is made.

Contractor to clean up works.

9. The Contractor is to keep the work at all times free from rubbish and waste material caused by any operations under his charge, clean up the works and grounds, and leave the work perfect in every respect.

Extra work.

10. It is to be distinctly understood by the Contractor that the Department of National Defence will not be responsible for the payment of any extra work which is not described in the specifications nor shown on plans, or which will entail an additional expense over and above the contract price, without orders in writing from the Director of Engineer Services.

Labour conditions.

11. Contractors shall post in a conspicuous place on the Public Works under construction, the schedule of wages inserted in their contracts, for the protection of the workmen employed.

Contractors shall keep a record of payments made to workmen in their employ, the books or documents containing such record shall be open for inspection by the fair wage officers of the Government at any time it may be expedient to the Minister of Labour to have the same inspected.

No workman employed on the said work shall at any time be paid less than the minimum rate of wages set forth in the fair wages schedule attached.

The Contractor must produce, when called upon by the Director of Engineer Services, or the Officer representing him, vouchers from the tradesmen to show that the work is being paid for as it proceeds.

The wages paid in the execution of this contract shall be those generally accepted as current in each trade for competent workmen in the district where the work is carried on. If this condition be violated, the Department of National Defence may cancel the contract, and refuse to accept any work done thereunder.

Acceptance of work.

12. No part or portion of the work will be accepted until the whole is completed to the satisfaction of the Director of Engineer Services, nor will any advances be made on the plant.

Payments.

13. Ninety per cent only of the progress estimates will be paid until completion and final acceptance of the whole work.

Advances of fifty per cent of the actual cost of materials delivered at the site of work will be made, providing such materials are stored on Government property or on property leased by the Contractor and duly transferred to the Honourable the Minister of National Defence and to the satisfaction of the Director of Engineer Services. If requested to do so, the Contractor will produce the receipted invoices and bills of lading of the materials delivered.

Tenders.

14. Persons tendering are notified that tenders will not be considered unless made on the printed form supplied, and signed with their signature, with their occupations and places of residence. In case of firms, the actual signature, the nature of the occupation and place of residence of each member of the firm must be given.

Deposit.

15. In case a deposit cheque is required, each tender must be accompanied by an accepted bank cheque on a chartered bank, made payable to the order of the Honourable the Minister of National Defence, for the sum equal to 10 per cent of the amount of the tender, which shall be forfeited if the party decline to enter into a contract when called upon to do so, or if he fails to complete the contract. If the tender is not accepted the cheque will be returned.

Acceptance.

16. The Department does not bind itself to accept the lowest or any tender.

Director General of Engineer Services sole judge.

17. In case of any misunderstanding or dispute arising, the Director of Engineer Services shall be the sole judge of the proper meaning and intention of the plans, this specification and contract, and his ruling shall be final and decisive.

LABOUR CONDITIONS

(1) All mechanics, labourers, or other persons who perform labour in the construction of the work hereby contracted for, shall be paid such wages as are generally accepted as current from time to time during the continuance of the contract for competent workmen in the district in which the work is being performed, and if there be no current rate in such district, then a fair and reasonable rate, and shall work such hours as those fixed by the custom of the trade in the district where the work is carried on, or if there be no custom of the trade as respects hours in the district, then fair and reasonable hours, except for the protection of life and property, or on due cause shown to the satisfaction of the Minister of Labour. In the event of a dispute arising as to what is the current or a fair and reasonable rate of wages or what are the current hours fixed by the custom of the trade or fair and reasonable hours, it shall be determined by the Minister of Labour, whose decision shall be final. Payment may also be withheld of any moneys which would otherwise be payable to the contractor until the Minister of Labour's decision has been complied

with. By the term "current wages" and the term "hours of labour fixed by the custom of the trade" in the foregoing are meant respectively the standard rates of wages and hours of labour either recognized by signed agreements between employers and workmen in the district from which the labour is required is necessarily drawn or rates actually prevailing, although not necessarily recognized by signed agreements.

Clause or Schedule to be Posted

(2) The Contractor shall post and keep posted in a conspicuous place on the premises where the contract is being executed, occupied or frequented by the workmen, the Fair Wages Clause or Schedule inserted in his contract for the protection of the workmen employed.

Books, Etc., of Contractor Open for Inspection

(3) The Contractor shall keep proper books and records showing the names, trades, and address of all workmen in his employ and the wages paid to and time worked by such workmen, and the books or documents containing such record shall be open for inspection by the Fair Wage Officers of the Government at any time it may be expedient to the Minister of Labour to have the same inspected.

Payment by Contractor for Labour, Etc.

(4) The Contractor shall not be entitled to payment of any money which would otherwise be payable under the terms of the contract in respect of work and labour performed in the execution of the contract unless and until he shall have filed with the Minister in support of his claim for payment a statement attested by statutory declaration, showing (1) the rates of wages and hours of labour of the various classes of workmen employed in the execution of the contract; (2) whether any wages in respect of the said work and labour remain in arrears; (3) that all the labour conditions of the contract have been duly complied with; nor, in the event of notice from the Minister of Labour of claims for wages, until the same are adjusted. The Contractor shall also from time to time furnish the Minister such further detailed information and evidence as the Minister may deem necessary in order to satisfy him that the conditions herein contained to secure the payment of fair wages have been complied with, and that the workmen so employed as aforesaid upon the portion of the work in respect of which payment is demanded have been paid in full.

Power to pay Wages in Default of Payment by Contractor

(5) In the event of default being made in payment of any money owing in respect of wages of any workmen employed on the said work and if a claim therefor is filed in the office of the Minister and proof thereof satisfactory to the Minister is furnished, the said Minister may pay such claim out of the moneys at any time payable by His Majesty under said contract and the amounts so paid shall be deemed payments to the Contractor.

6. These conditions shall extend and apply to moneys payable for the use or hire of horses or teams, and the persons entitled to payments for the use or hire of horses or teams shall have the like rights in respect of moneys so owing them as if such moneys were payable to them in respect of wages.

Fair Wages Clause or Schedule to be posted

(3) The Contractor shall post and keep posted in a conspicuous place on the premises where the contract is being executed, occupied or frequented by the workmen, the Fair Wages Clause or Schedule inserted in his contract for the protection of the workmen employed.

Books, etc., of contractor open for inspection

(4) The Contractor shall keep proper books and records showing the names, trades, and addresses of all workmen in his employ and the wages paid to and time worked by such workmen, and the books or documents containing such record shall be open for inspection by the Fair Wage Officers of the Government at any time it may be expedient to the Minister of Labour to have the same inspected.

Payment by contractor for labour, etc.

(5) The Contractor shall not be entitled to payment of any money which would otherwise be payable under the terms of the contract in respect of work and labour performed in execution of the contract unless and until he shall have filed with the Minister in support of his claim for payment a statement attested by statutory declaration, showing (1) the rates of wages and hours of labour of the various classes of workmen employed in the execution of the contract; (2) whether any wages in respect of the said work and labour remain in arrears; (3) that all the labour conditions of the contract have been duly complied with; nor, in the event of notice from the Minister of Labour of claims for wages, until the same are adjusted. The Contractor shall also from time to time furnish the Minister such further detailed information and evidence as the Minister may deem necessary in order to satisfy him that the conditions herein contained to secure the payment of fair wages have been complied with, and that the workmen so employed as aforesaid upon the portion of the work in respect of which payment is demanded have been paid in full.

Power to pay wages in default of payment by Contractor

(6) In the event of default being made in payment of any money owing in respect of wages of any workmen employed on the said work and if a claim therefor is filed in the office of the Minister and proof thereof satisfactory to the Minister is furnished, the said Minister may pay such claim out of the moneys at any time payable by His Majesty under said contract and the amounts so paid shall be deemed payments to the Contractor.

(7) These conditions shall extend and apply to moneys payable for the use or hire of horses or teams and the persons entitled to payments for the use or hire of horses or teams shall have the like rights in respect of moneys so owing them as if such moneys were payable to them in respect of wages.

Sub-letting, etc.

(8) With a view to the avoidance of any abuses which might arise from the sub-letting of contracts it shall be understood that sub-letting, other than such as may be customary in the trades concerned, is prohibited unless the approval of the Minister is obtained; sub-contractors shall be found in all cases to conform to the conditions of the main contract, and the main contractor shall be held responsible for strict adherence to all contract conditions on the part of sub-contractor; the contract shall not, nor shall any portion thereof be transferred without the written permission of the Minister; no portion of the work to be performed shall be done at the homes of the workmen.

Workmen to be residents of Canada

(9) All workmen employed upon the work comprehended in and to be executed pursuant to the said contract shall be residents of Canada, unless the Minister is of opinion that Canadian labour is not available or that other special circumstances exist which render it contrary to the public interest to enforce this provision.

SPECIFICATIONS

For construction of the undermentioned buildings and the carrying out of various related works as detailed in these specifications or shown on accompanying drawings, at Bedford Basin, N.S.:—

BUILDINGS

Explosive Store Group 5.
Explosive Store Group 7.
General Shifting Lobby.
Landing Shed.
Married Quarters.
With Plans.

GENERAL CONDITIONS

Contractor to give personal superintendence.

1. The Contractor to give his personal superintendence and direction to the work, keeping also a competent foreman constantly on the ground. He is to provide all labour, transportations, materials, apparatus, scaffolding, and utensils necessary for the complete and substantial execution of everything described, shown, or reasonably implied in the drawing and specifications.

Contractor to lay out work.

2. The Contractor must carefully lay out his work, and be responsible for any mistakes he makes, and any injury to others resulting from them.

Reading of Plans.

3. When no figures or memoranda are given, the drawings shall be accurately followed according to that scale; but figures or memoranda are to be preferred to the scale in all cases of difference. In any case and all cases of discrepancy in figures, the matter shall be immediately submitted to the Director of Engineer Services, through the Officer in charge, for his decision, and without such decision said discrepancy shall not be adjusted by the Contractor save and only at his own risk; and in the settlement of any complication arising from such adjustment, the Contractor shall bear all the extra expenses involved.

Omissions.

4. The plan referred to in this specification represents generally the nature and extent of the works to be done and executed, and further plans or details, or in explanation of the original plans, or of work or works which have been omitted and are required, which shall or may be furnished during the progress of the work, shall be considered as covered by this specification, and their omission therefrom and supply at any future date, shall not in any way vitiate, invalidate or render nugatory in part or in whole this specification or the contract which shall be entered into for the execution of the works referred to herein; and it is to be expressly understood that the provisos and stipulations they contain shall remain and apply to all omitted work that may be required, and to the detailed plans which may be furnished at any time during the progress of the work.

The plans and these specifications are to be considered co-operative; and all work necessary to the completion of the design drawn on plans and not described herein, and all work described herein and not drawn on plans are to be considered a portion of the contract and must be executed in a thorough manner, with the best materials, the same as if fully specified.

The Director of Engineer Services, or Officer representing him, will supply full size drawings of all details when required, and any work constructed without such drawings, or not in accordance with them, must be taken down and replaced at the Contractor's expenses.

Materials and workmanship.

5. All materials and workmanship to be of the best quality throughout.

Any materials delivered or work erected, not in accordance with the plans and these specifications, must be removed at the Contractor's expenses and replaced with other material or work, satisfactory to the Director of Engineer Services, or Officer representing him, at any time during the progress of the work; or in case the nature of the defect shall be such that it is not expedient to have it corrected, the Director of Engineer Services shall have the right to deduct such sums of money as he considers a proper equivalent for the difference in the value of the materials or work from that specified, or the damage to the work, from the amount due the Contractor on the final settlement of the accounts.

Contractor to protect works.

6. The Contractor will provide proper and sufficient safeguards and protection against the occurrence of any accidents, injuries, damages, or hurt to any person or property during the progress of the work, and shall be alone responsible, and not to the Department of National Defence, who will not in any manner be answerable for any loss or damage that may happen to the work, or any part thereof, or for any of the materials or tools used and employed in finishing and completing the work.

Contractor to give facilities for inspection.

7. Every facility must be given the Director of Engineer Services for inspecting the work in safety.

The Contractor will be held directly responsible for any damage to wharves, piers, light railway and rolling stock, the property of this Department, in the event of such damage resulting from or being due to the execution of this contract. Such damage must be immediately made good by the Contractor or in default, the necessary repairs will be made by the Department of National Defence and the cost of such repairs deducted from the amount of this contract.

Material

A certain amount of miscellaneous material now in possession of the Department of National Defence will be supplied to the Contractor by the Department of National Defence for use in the erection of these buildings, etc. This material is at present stacked on the site in the position approximately as shown on the site plan. This material will be issued to the Contractor from time to time as required on certificate signed by the Officer in charge of the Works. The Contractor will be responsible for the loading and all handling of this material and the cartage of same to the sites of the various buildings. A list of the material available for use on these works is attached to these specifications.

Laying out

The positions of the various buildings, drains, water and electric light lines, etc., will be staked out and the necessary grades given by the Officer in charge of Works. The Contractor shall be responsible for the maintenance of such position and grade stakes as may be furnished and shall have replaced any such stakes as may be lost or removed by a competent engineer to the satisfaction of the Officer in charge of Works.

Drawings property of Department

8. The drawings are the property of the Department of National Defence and must be returned to the Director of Engineer Services, Ottawa, before the final payment is made.

Contractor to clean up works

9. The Contractor is to keep the work at all times free from rubbish and waste material caused by any operations under his charge, clean up the works and grounds, and leave the work perfect in every respect.

Extra work

10. It is to be distinctly understood by the Contractor that the Department of National Defence will not be responsible for the payment of any extra work which is not described in the specifications nor shown on plans, or which will entail an additional expense over and above the contract price, without orders in writing from the Director of Engineer Services.

Labour conditions

11. Contractors shall post in a conspicuous place on the Public Works under construction, the schedule of wages inserted in their contracts, for the protection of the workmen employed.

Contractors shall keep a record of payments made to workmen in their employ, the books or documents containing such record shall be open for inspection by the fair wages officers of the Government at any time it may be expedient to the Minister of Labour to have the same inspected.

No workman employed on the said work shall at any time be paid less than the minimum rate of wages set forth in the fair wages schedule attached.

The Contractor must produce, when called upon by the Director of Engineer Services, or the Officer representing him, vouchers from the tradesmen to show that the work is being paid for as it proceeds.

The wages paid in the execution of this contract shall be those generally accepted as current in each trade for competent workmen in the district where the work is carried on. If this condition be violated, the Department of National Defence may cancel the contract, and refuse to accept any work done thereunder.

Acceptance of work

12. No part or portion of the work will be accepted until the whole is completed to the satisfaction of the Director of Engineer Services, nor will any advances be made on the plant.

Payments

13. Ninety per cent only of the progress estimates will be paid until completion and final acceptance of the whole work.

Advances of fifty per cent of the actual cost of materials delivered at the site of work will be made, providing such materials are stored on Government property or on property leased by the contractor and duly transferred to the Honourable the Minister of National Defence and to the satisfaction of the Director of Engineer Services. If requested to do so, the Contractor will produce the receipted invoices and bills of lading of the materials delivered.

Tenders

14. Persons tendering are notified that tenders will not be considered unless made on the printed form supplied, and signed with their signature, with their occupations and places of residence. In case of firms, the actual signature, the nature of the occupation and place of residence of each member of the firm must be given.

Deposit

15. In case a deposit cheque is required, each tender must be accompanied by an accepted bank cheque on a chartered bank, made payable to the order of the Honourable the Minister of National Defence, for the sum equal to 10 per cent of the amount of the tender, which shall be forfeited if the party decline to enter into a contract when called upon to do so, or if he fails to complete the contract. If the tender is not accepted the cheque will be returned.

Acceptance

16. The Department does not bind itself to accept the lowest or any tender.

Director of Engineer Services sole judge

17. In case of any misunderstanding or dispute arising, the Director of Engineer Services shall be the sole judge of the proper meaning and intention of the plans, this specification and contract, and his ruling shall be final and decisive.

Materials, etc.

Where certain brands of material, fixtures, etc. are mentioned in these specifications read "or similar and equal to approval." Preference must in all cases be given to goods of Canadian manufacture.

LABOUR CONDITIONS

Fair Wages Clause

(1) All workmen, labourers, or other persons who perform labour in the construction of the work hereby contracted for, shall be paid such wages as are generally accepted as current from time to time during the continuance of the contract for competent workmen in the district in which the work is being performed, and if there be no current rate in such district, then a fair and reasonable rate, and shall work such hours as those fixed by the custom of the trade as respects hours in the district where the work is carried on, or if there be no custom of the trade as respects hours in the district then fair and reasonable hours, except for the protection of life and property, or on due cause shown to the satisfaction of the Minister of Labour. In the event of a dispute arising as to what is the current or a fair and reasonable rate of wages or what are the current hours fixed by the custom of the trade or fair and reasonable hours it shall be determined by the Minister of Labour, whose decision shall be final; payment may also be withheld of any moneys which would otherwise be payable to the Contractor until the Minister of Labour's decision has been complied with.

By the term "current wages" and the term "hours of labour fixed by the custom of the trade" in the foregoing are meant respectively the standard rates of wages and hours of labour either recognized by signed agreements between employers and workmen in the district from which the labour required is necessarily drawn or actually prevailing, although not necessarily recognized by signed agreements.

Fair Wages Clause to be posted

(2) The Contractor shall post and keep posted in a conspicuous place on the premises where the contract is being executed, occupied or frequented by the workpeople, the foregoing fair wages clause for the protection of the workpeople employed.

Books, etc., of contractor open for inspection

(3) The Contractor shall keep proper books and records showing the names, trades, and addresses of all workmen in his employ and the wages paid to and time worked by each workman and the books and documents containing such

record shall be open for inspection by the Fair Wages Officer of the Government at any time it may be expedient to the Minister of Labour to have the same inspected.

Premises and work open for inspection

(4) The Contractor's premises and the work being performed under this contract shall be open for inspection at all reasonable times by any officer authorized by the Minister of Labour for this purpose; all such premises shall be kept by the Contractor in sanitary condition.

Subletting, etc.

(5) With a view to avoidance of any abuses which might arise from the subletting of contracts it shall be understood that subletting, other than such as may be customary in the trades concerned, is prohibited unless the approval of the Minister is obtained; contractors shall be bound in all cases to conform to the conditions of the main contract, and the main contractor shall be held responsible for strict adherence to all contract conditions on the part of contractors; the contract shall not, nor shall any portion thereof be transferred without the written permission of the Minister; no portion of the work to be performed shall be done at the homes of the workpeople, or, except as specially provided for under legislative authority, by inmates of penal institutions.

Workmen to be residents of Canada

(6) All workmen employed upon the work comprehended in and to be executed pursuant to the contract shall be residents of Canada, unless the Minister is of opinion that Canadian labour is not available or that special circumstances exist which would render it contrary to the public interest to enforce this provision.

Payment by contractor for labour

(7) The Contractor shall not be entitled to payment of any money which would otherwise be payable under the terms of the contract in respect of work and labour performed in the execution of the contract unless and until he shall have filed in the office of the Minister in support of his claim for payment a statement attested by statutory declaration showing: (1) the rates of wages and hours of labour of the various classes of workmen employed in the execution of the contract; (2) whether any wages in respect of the said work and labour remain in arrears; (3) that all the labour conditions of the contract have been duly complied with; or, in the event of notice from the Minister of Labour of claims for wages, until the same are adjusted. The Contractor shall also from time to time furnish to the Minister such further detailed information and evidence as the Minister may deem necessary in order to satisfy him that the conditions herein contained to secure the payment of fair wages have been complied with, and that the workmen so employed as aforesaid upon the portion of the work in respect of which payment is demanded have been paid in full.

Power to pay wages in default of payment by contractor

(8) In the event of default being made in payment of any money owing in respect of wages of any workman employed on the said work, and if a claim therefor is filed in the office of the Minister and proof thereof satisfactory to the Minister is furnished, said Minister may pay such claim out of the moneys at any time payable by His Majesty under said contract and the amount so paid shall be deemed payments to the Contractor.

SELECT STANDING COMMITTEE

DEPARTMENT OF LABOUR, CANADA.

OTTAWA, May 26, 1926.

SCHEDULE of wages and working day hours for the several classes of labour to be employed in connection with the construction of certain magazine buildings at Bedford Basin, near Dartmouth, N.S. to be inserted in a contract to be awarded by the Department of National Defence.

SCHEDULE OF WAGES AND WORKING DAY HOURS

Trade or class of labour	Rates of wages not less than:	
Plasterers..	90c. an hour	8 hour day
Masons..	90c. " "	8 " "
Bricklayers..	90c. " "	8 " "
Carpenters..	57c. " "	8 " "
Painters and Glaziers..	57c. " "	8 " "
Electricians..	60c. " "	8 " "
Cement Finishers..	65c. " "	8 " "
Stationary Fireman..	45c. " "	9 " "
Stationary Engineer..	65c. " "	9 " "
Roofers..	45c. " "	8 " "
Driver with team..	75c. " "	9 " "
Driver with horse and cart..	55c. " "	9 " "
Teamsters..	35c. " "	9 " "
Common Labour..	35c. " "	9 " "
Cement Labourers..	35c. " "	9 " "

EXCAVATION

Generally.

The Contractor is to read the General and Labour conditions on the preceding pages and is to carry out the work in accordance with the provisions contained therein.

Examine site.

Each contractor must, before submitting his tender, examine the site, note the contours of the ground, the portions of the property on which the proposed buildings will be erected and roads and other communications leading to same. The Contractor must make and maintain the necessary roadways round the buildings and in completion of the work is to clean up all rubbish, stone or other debris and leave same clean to the satisfaction of the Officer in charge of Works.

Clearing sites.

Contractor to clear away and remove all surplus material and rubbish that may be on sites and to clear away trees, brush, weeds, etc., as may be necessary to facilitate building operations.

Excavation.

The contractor shall excavate for foundation walls, piers, conduit, drains, septic tank and run-offs, water supply pipes etc., as shown on plans. Excavations shall be made to the full depths indicated on plans and shall be made of sufficient width to allow of proper construction of the walls, etc. Where the nature of the soil permits the trenches for foundation, walls shall be cut to the proper size and depth of spread footings with the bottoms carefully levelled so as to constitute forms for these footings. In case of solid rock being encountered spread footings, may at the discretion of the Officer in charge of Works be dispensed with. In such case the rock shall be cut to a sufficient depth and to give a solid foundation to the satisfaction of the Officer in charge of Works. There shall be no extras allowed for any blasting or rock cutting that may be necessary to carry out the works as shown on plans or required by these specifications. In the case of drains the excavation shall be carried below the level of the bottom of the pipe and filled as later specified.

Water.

Keep foundations dry during the progress of the works and remove water by pumping or bailing as may be necessary.

Backfilling

The contractor shall not fill in over any work until it has been approved by the Officer in charge of Works. The trenches or other excavation shall be filled up to the height of the grades shown, in layers of not more than twelve inches thick. Each layer shall be carefully consolidated by ramming. Finished grades at buildings shall be made by cutting or filling to meet requirements as shown on drawings.

Surplus Earth-Rock, Etc.

In the cases of building shown with earth traverses the contractor shall use any surplus earth or rock from excavation to commence the building of these traverses. Any available rock or store shall be used to form base of traverse on face nearest the building. Earth shall be piled up to the form of traverses as shown on plan. (For details *re* completion of these traverses see para: "Earth Traverses".)

Surplus earth, etc., from excavations for buildings not requiring traverses shall be dumped and spread in the vicinity of the sites as directed by the Officer in charge of Works.

Weeping drains

Lay weeping drains of 4" unglazed tile round the outside of footings of all buildings with concrete foundations. The tops of joints in tile to be covered with tarred building paper, and fill over drain to be made with broken stone up to finished grade level and for a width of twelve inches out from walls. Weeping drains shall be laid with an even fall to outlet and shall be connected to tile drains or outlets, arranged as shown on plans.

Drains

The drains outside of buildings from a point three feet from walls shall be vitrified tile socket jointed pipe. Pipes shall be jointed in well tempered clay, oakum and filletted with cement. All pipes to be laid to have a uniform bearing throughout, and to be laid true to the grades given.

Landing Shed-Shifting Lobby

Lay a nine inch vitrified tile drain from the point opposite North end of Shifting Lobby as shown on plans connecting to existing drain at North end of Wharf. Connect drainage from these buildings with proper Y junctions. Pipe at North end (commencement) to be capped and sealed and left in rough wooden box to facilitate future extension of this drain.

Married Quarters

From a point 3 feet outside of building, connecting to C.I. house drain lay a 6" vitrified tile sewer from building to septic tank inlet and from outlet of tank to a point on south side of road as shown on plans.

Wells

The contractor shall submit with his tender a unit price, per foot depth, for the sinking of a well in the immediate vicinity of the Married Quarters and the lining of same with proper well bore tubing. Quotation shall cover all drilling necessary in whatever soil or rock encountered and the leaving of the well read for the installation of an electric pumping (deep well) outfit.

MASON

Materials

Sand shall be clean, sharp and free from loam, clay or other impurities.

Lime shall be freshly burned lime of a make satisfactory to the Officer in charge of Works.

No air-slaked lime to be used.

Cement shall be the best quality Portland cement equal to the standard specifications of the Engineering Institute of Canada.

Stone

Stone shall consist of pieces of hard and durable rock, such as trap, limestone or granite of miscellaneous sizes from 3/4" to 1 1/2 inches. Dust shall be removed by passing over 1/4 inch screen.

Water

The contractor shall make his own arrangements for the obtaining and transportation of the water required for the carrying out of this contract. Water can be obtained from the wells on the site and the contractor should inspect these and ascertain the quantities available.

Concrete

Unless otherwise specified concrete shall be composed by measure of one part Portland cement to two parts of sand and four parts of broken stone. Concrete shall be mixed in mechanical mixer of approved design, shall be mixed to a medium wet consistency so that when dumped into place it shall not require much tamping. Concrete for reinforced work shall be mixed wet enough to flow in between reinforcing material and to fill closely all interstices (or voids).

Forms

Supply and construct all forms necessary for concrete work. Forms shall be constructed of dressed Shiplap or T. & G. lumber, rigidly wired and braced to remain in position until concrete has set. Forms after erection shall be inspected by the Officer in charge of Works, and no concrete shall be placed until forms have been approved.

Stone Fill

Stone fill shall be placed under floors, etc., as shown on drawings. Fill to be thoroughly compacted and in the case of Explosive Stores and Landing Shed shall consist mainly of large flat spalls. Fills shall be made so that the thicknesses of concrete floors indicated on the drawings shall constitute a minimum.

Mass concrete

Concrete shall be placed in forms fresh from the mixer, shall be well puddled and spaded so that all spaces are completely filled. In case concrete already deposited has set the top shall be scratched, hacked and grouted before the next layer is deposited.

Damp Proof Course

A horizontal water-proof course shall be laid on foundation walls of all buildings, consisting of three plies of wool felt saturated with bituminous material, weighing 14 lbs per square each ply. Each layer to be cemented with approved pitch.

Concrete floors, Roof slab, Ramps, Steps, etc.

Concrete floors, etc., shall be laid to the depths indicated in proportions 1-2-4 well consolidated, screeded, floated and trowelled to an even surface to be truly level or to grades indicated. Floors with mastic top to be levelled off with straightedge but not trowelled.

Reinforced Floors

Floors in Explosive Stores, Groups 5 and 7 landing shed shall be re-inforced with expanded metal re-inforcement of approved manufacture and providing a sectional area of steel equal to .007 of cross section slab area.

Cement finish to floors, etc.

Where cement finish is to be applied rough concrete floor is to be broom cleaned, wetted, then washed off with a 50% solution of muriatic acid, and finally scoured with broom and water, then apply cement grout preparatory to placing cement finish.

Unless otherwise shown or specified concrete floors, steps, ramps, etc., to have cement finish one inch thick composed of one part Portland cement, one part coarse sand, one part screened crushed pea stone, thoroughly mixed with a minimum of water so that mixture will require to be rammed into place, screeded, floated and trowelled to a smooth even surface, divided into squares and blocks and finished with a dot roller as directed. In all cases cement finish must be coved up against walls with a 1½" cove.

Concrete sills-Lintels

Concrete sills and lintels shall be formed to details, sills under steel sash to be poured after sash are in place. Reinforcing rods to be kept rigidly and accurately in place while concrete is being poured.

Cement finish

Carefully fill any interstices in exposed surfaces of concrete as walls, sills, lintels and ceilings, etc., and then apply cement wash to the satisfaction of the Officer in charge of Works.

Septic tank

Concrete for septic tank to be waterproofed by the integral method using Pudlo, Ceresit, or other approved admixture.

Build septic tank as shown and to dimensions given. Arrange for all necessary openings in walls as shown.

Man-Holes

Build Man-Holes to details given. Set to each C.I. frame and cover and round iron rungs as shown.

Pipe supports

Construct piers for pipe supports between Boiler Houses and Explosive Stores to details given. The galvanized iron pipes for these supports shall be set in the forms before piers are poured and held and braced as necessary to hold rigidly and accurately in position until concrete has set.

Protection

The contractor will be held responsible for the proper protection of all concrete work during the execution of this contract and must take all proper measures to prevent the development of defects from frost, too rapid setting or other causes. Any concrete found to be defective or inaccurately placed must be cut out and replaced to the full satisfaction of the Officer in charge of works.

BRICKWORK—HOLLOW TILE

Mortar

Mortar for brickwork shall be of Portland cement and clean sharp sand in the proportions of one part cement to three of sand.

Mortar for laying hollow tile shall be as shown above to which may be added 10 per cent of lime paste.

Brickwork

Brick piers, chimneys, etc., shall be built up to the dimensions shown, bonding to be five courses stretchers to one course headers. Bricks shall be well wetted before laying and the top course where left off shall be well wetted before laying is recommenced. Cross joints in brickwork must be wiped back and longitudinal joints flushed solid. Properly bond at junction of brickwork and hollow tile walls, using fillers and stamped steel ties where necessary.

Hollow Tile

Tile shall be true and accurately laid in mortar as previously specified with approximately a $\frac{3}{8}$ -inch joint. Walls shall be kept plumb and every care exercised to obtain the best appearance possible. Use stamped steel ties and fillers as provided by the manufacturers at all junctions with brickwork and at corners, jambs, etc.

Carry up all walls and piers in a uniform manner, no one portion being raised more than four feet above another at the one time.

Do all oversailing, corbelling, chamfering, beamfitting and build in, bed and point in lime and hair mortar where necessary door and window frames, plates, etc.

Leave openings required for all pipes, conduit, etc., and make good same. Cut out and make good after all other trades. Provide all scaffolding required and maintain and leave same for other trades. Build in steel sash, window and door frames and all anchors, bolts, tie bars, clamps, beams, channels, lintel, furring, strips, wood plugs, look-outs, etc., and all pipe ducts, registers and other work as may be furnished.

Provide and set to all chimneys tile flue linings of the necessary dimensions, also smoke-pipe rings and clean out doors.

Joints

Brick and tile walls, etc., etc., shall be finished on exterior face with neat flush joint. Joints on interior faces of walls to be plastered or rendered in cement shall be left rough.

Married Quarters

Form jambs for door and window frames in Married quarters with brick. Build and bed frames in place and provide and set reinforced tile lintels over openings constructed of tile with 1-2-4 concrete and with steel reinforcing rods inserted of the number and size required to carry superimposed loads without deflection.

CARPENTRY WORK

Offices

Contractor shall provide such temporary office space, stores, etc., as he may require in addition to any existing buildings that may be available on the site.

Temporary Convenience

The contractor shall provide and suitably enclose temporary earth closets for his workmen, to be placed as directed by the Officer in charge of Works. Closets to be removed and filled in when directed.

Generally

The carpenter shall do all the cutting of timber and such other woodwork as may be required by the other trades for the due execution of their work. Contractor to provide all requisite material for and frame and fix all carpenter work of every kind complete with all proper nails, spikes, screws, bolts and other hardware and iron work which may be requisite or required for carrying into effect and completing the buildings and other works according to the drawings. All exposed lumber to be dressed smooth.

Material

All lumber used throughout these buildings unless otherwise shown or specified shall be best quality pine or spruce, dry, well seasoned and free from any large, loose, or dead knots, sap, or other imperfections. All millwork shall be of best quality pine, free from defects, kiln-dried and to the dimensions given.

The whole of the carpenters work is to be framed and trussed in the best possible manner and fitted with all necessary wrought iron ties, straps, bolts, screws, etc., all joists, rafters, studs, etc., are to be truly fitted and well spiked together.

Explosive Stores, Groups 5 and 7.

Wall plates to be 3" x 8" as shown, to be bedded into wall by Mason.

Roof framing

Members to be of dimensions shown, properly and accurately framed together and strongly spiked together and to wall plates.

Roof boarding

Roof boarding to be 7/8 inch T. & G. laid diagonally across rafters and toenailed at every bearing.

Door frames

Door frames, stops, etc., to be according to details. Wooden frames set directly into tile walls shall be held by heavy strap iron anchors as shown. Other frames shall be secured to channel frames by 1/2 inch bolts at 22" centres, head to be countersunk below face of frame.

Doors

Doors shall be built up of 2 inch pine frames and 7/8 T. & G. V jointed sheathing according to details given, members of frame to be mortised, tenoned, glued, wedged and pinned together.

Trim

Trim to be plain, bull-nosed architrave applied as shown on details, to be mitred at corners and sides and head to be one piece each only. Architrave to be rebated if necessary to permit placing over plaster.

Hardware

The following hardware to be furnished and installed by contractor in these buildings:—

Double entrance doors.—One to each door, extension bolt steel 5/16" x 1", with steel keeper at head and foot similar and equal to Richards-Wilcox No. 511 (Catalogue Richards-Wilcox, p. 64). One to each Yale night latch No. 44, and three keys to each latch. To each, one pair black japanned steel handles similar and equal to Richards-Wilcox, No 71-2. (Catalogue Richards-Wilcox, p. 69). To each door, 3 pairs strap hinges according to detail.

Double Doors.—Porch to Store.—One to each leaf double extension bolted with steel keeper head and foot similar and equal to Richards Wilcox No. 51. (Catalogue Richards-Wilcox, p. 64). To each 1 pair black japanned handles similar and equal to Richard-Wilcox No. 71-2. (Catalogue Richard-Wilcox p. 69). To each door, 2 pairs straps hinges to detail.

Entrance doors to Shifting Lobby.—To each door, 1½ pair 3½" x 3½" L.P. butts, bronze plated steel. 1 Yale Night Latch No. 44, and 3 keys. 1 pair door pulls similar and equal to Richards-Wilcox No 71-2. (Catalogue Richards-Wilcox, p. 69).

Doors Shifting Lobby to Store.—To each door, $1\frac{1}{2}$ pair $3\frac{1}{2}$ " x $3\frac{1}{2}$ " L.P. butts bronze plated steel. One cylinder lock outside door set complete with porcelain knobs, bronze plated escutcheons and 3 keys similar and equal to No. 0893 Catalogue Belleville Lock & Hardware Co. p. 63.

Hatchway to roof.—One pair 2" x 2" L.P. Butts. One 4" brass barrel bolt.

Louvres

Build and set in each building two louvres to details given. The full frame opening is to be covered on inside with copper wire screen.

Ceilings

Ceilings shall be sheeted over the entire area with asbestos board one quarter inch in thickness, board to be in sheets 42" by 8 feet and to be that manufactured by the Asbestos Manufacturing Co., Limited of Lachine P.Q. or a similar and equal brand to approval. Asbestos board shall be applied directly to tie-beams with large headed galvanized nails of suitable size. Instal nailing pieces 3" x 2" between tie-beams as shown on plans for end joints. All joints to be covered with strips made of 14 gauge galvanized iron, all to details given. Cover at angles to walls etc., with galvanized strips as shown. Cut neat circular holes for lights and fix galvanized edges to details. Trim for raised portion of ceiling to expose expansion and reserve supply tank to details given.

Hatchway

Provide hatchway in raised portion of ceiling to details given. Frame to be 2" x 2" tenoned, wedged and glued. All angles of frame and opening to be covered with 26 gauge galvanized iron. Hinges and bolt to be provided as shown on drawings.

Track

The hardwood curbs to be set into concrete as shown. Curbs to be built up in two sections the lower section being heavily pitched before setting and bolted down with $\frac{1}{2}$ " x 7" toggle bolts at 5.0 centres set into concrete. The upper section of curbs shall be screwed down with 1 screws into inserts in lower section and screws countersunk as shown. Cut hardwood plugs to fill over all screw plugs to be a driving fit, glued and smoothed off to make curb.

Radiator support

In each bay between brick piers where radiators will hang provide wood strip $1\frac{3}{8}$ " x $4\frac{1}{2}$ ", running full length of bay and secured to web of I beam track support with $\frac{1}{2}$ " bolts at 2' 6" centres, staggered. Provide where required supports for other radiators and pipes of 3" x 6" hardwood strips bolted to walls with two to each $\frac{1}{2}$ " x $10\frac{1}{2}$ " bolts and 3 x $\frac{3}{8}$ " washers on outside.

Barge Boards

To be dressed pine of the dimensions shown, secured to roof with 2" x $\frac{3}{8}$ " angle straps at every three feet the full depth of barge and screwed to same. Angle straps to catch three rafters and be firmly screwed to rafters.

Eaves

Construct fascie at eaves with dressed pine boarding of the dimensions and to details given.

Barrier

Barrier shall consist of 10" dressed plank, fixed as shown on details.

Landing Shed

The provisions of specifications as previously detailed for Explosive Stores Groups 5 and 7 shall apply to construction of this building, with such additions and exceptions as may be evident from plans or as herein detailed.

Hardware

Double entrance doors to Shed.—To each door three pairs strap hinges to detail. To each door one extension bolt $5/16"$ x $1"$ with steel keeper at head and foot similar and equal to Richards-Wilcox No. 511 (Catalogue Richards-Wilcox p. 64). To each door 1 pair black japanned steel handles similar and equal to Richards-Wilcox No. 71-2. (Catalogue Richards-Wilcox p. 69). To each door one Yale Night Latch No. 44 and three keys to each latch.

Double Entrance Doors Coal Store.—Three pairs heavy strap hinges to detail. To each leaf button bolt similar and equal to Richards-Wilcox 524-1. (Catalogue Richards-Wilcox p. 65).

Entrance to Boiler.— $1\frac{1}{2}$ pr. $3\frac{1}{2}"$ x $3\frac{1}{2}"$ L.P. Butts, steel, finish dull black. 1 Yale Night Latch No. 44 and 3 keys. 1 door latch similar and equal to Richards-Wilcox No. 125. (Catalogue Richards-Wilcox p. 124).

Ash-bin.— $1\frac{1}{2}$ pr. $3\frac{1}{2}"$ x $3\frac{1}{2}"$ L.P. Butts, steel finish dull black. 1 $6"$ barred bolt.

Platforms

To be built up to height shown on $7"$ diameter cedar post set into ground to a depth of 5 feet below grade. • Sleepers to be solidly spiked and dogged to posts. Floor with $3"$ plank spiked with two five inch spikes at each bearing.

Ceiling

Ceiling of Landing Shed and Boiler Rooms shall be sheeted over the entire area with asbestos board, one-eighth inch in thickness, of the same brand and quality as specified for use in Explosive Stores. In Landing Shed the sheets shall be nailed directly to tie-beams and to $3"$ x $2"$ nailing pieces fixed between tie-beams where required to take end joints. Ceiling in Boiler Room to be nailed to $2"$ x $1\frac{1}{2}"$ furring strips secured to rafters. All joints and angles shall be finished with galvanized iron strips as specified for ceilings in Explosive Stores.

General Shifting Room

Foundations to consist of cedar posts, $9"$ in diameter, set into ground to a depth of 5 feet below grade. Sleepers to be of cedar, $6"$ x $8"$ solidly spiked to posts. Spacing of posts and sleepers as shown on plans.

Floor joists

To be $2"$ by $8"$ pine or spruce set $18"$ on centres and nailed at each bearing.

Bridging

Two rows of $2"$ x $1"$ bridging to run full length of building.

Partitions

All outside walls and interior partitions unless otherwise noted to be of $2"$ x $4"$ studs set $16"$ on centres with doubled heads and sills. There shall be two rows of girths in the height of each partition.

Roof trusses

Members to be of dimensions shown properly spiked together.

Roof boarding

Cover the whole area of roof with $7/8"$ T & G. boarding D.I.S., applied diagonally to rafters and blind nailed at every bearing.

Floor.

Over the whole area of floor lay diagonally to joists a rough floor of $\frac{3}{8}"$ T. & G. nailed at every bearing. On rough floor lay one thickness of heavy

building paper and then lay best quality $\frac{3}{8}$ " x $2\frac{1}{2}$ " T. & G. birch or maple flooring. Flooring to be in long lengths. Boards carefully cramped together and toe-nailed to under floor. Flooring to be scraped smooth upon completion.

Exterior Sheathing.

Cover all exterior surfaces where indicated with best clear pine clapboarding with not less than one inch lap. The clapboards at all corners shall butt to $1\frac{1}{8}$ by 4 inch corner boards.

Interior Sheathing.

All interior faces of walls, both sides of partitions, and ceiling shall be covered with $\frac{7}{8}$ " by 3" T. & G. V jointed clear spruce or pine sheathing. Finish at all intersections with one inch quarter round excepting at floor.

Windows.

Windows shall be $1\frac{1}{2}$ " pine casement windows or similar sized fixed sash as shown. Frames to be of dressed pine, $\frac{7}{8}$ " thick, with $\frac{1}{2}$ " x 2" bull nosed stop and 2" weathered oak sill. Stop to be mitred at corners. Fixed sash to be held in place by stop on each side both at head sides and sill. Windows to have $1\frac{1}{4}$ " moulded stool and apron. Centre stiles of casements shown to open to be rebated to meet.

Doors.

Doors to be best quality pine, or fir stock doors as per door schedule given. To be hung to $\frac{7}{8}$ " jamb linings with proper stop. Provide and set hardwood thresholds to the five entrance doors.

Interior trim.

Both sides of all door openings and window openings to be trimmed with 4" x $\frac{7}{8}$ " plain bull nosed architrave mitred at angles, heads and sides in one piece only.

Base board to be of $\frac{7}{8}$ " pine 8 inches in height and simply moulded on the upper edge.

Shoe strip to be 1 inch quarter round, firmly nailed to floor.

Porches.

Porches to be supported on two to each 5" diameter cedar posts 5 feet below finished grade and two to each 4" x 6" sleepers. Floor with 2" plank dressed one side spiked to sleepers and carry up walls of 2" x 4" studding, 16 inches on centres to the heights shown.

Exterior only to be covered with clapboarding as specified for remainder of building. Rafters to be of 2" x 4" at 24" centres.

Roof boarding to be as specified for main building. Provide and set fixed sash as shown to match other sash in building.

Doors to be ledged and braced with 8" x $1\frac{1}{8}$ " top, middle and bottom rails and two 6" x $1\frac{1}{8}$ " braces. Doors to be sheeted with $\frac{7}{8}$ " x 3" T. & G. and V jointed battens blind nailed at each bearing and screwed, each batten one screw at each bearing. Doors to be hung to proper jamb lining.

Covered Way.

Construct covered way between Shifting Lobby and Landing Shed as shown on foundation of 4" x 6" sleepers set on 5" diameter cedar posts set five feet below finished grade. Floor with two inch dressed one side plank securely spiked to sleepers. Carry up 2" x 4" studding against wall of Boiler House as shown and set 2" x 4" doubled cap on studding to support rafters. Rafters to be supported at other ends on girths in wall of Shifting Lobby and to be trimmed to allow for clear opening of entrance doors. Rafters to be 2" x 4"

at 24" centres. Roof boarding to be as specified for other portions of this building. Doors to be constructed as for porches and hung in two leaves, each leaf of a width of two feet.

Steps.

Steps where required shall be constructed with 2" outer and middle open strings, $\frac{7}{8}$ " rises and treads of $2\frac{3}{4}$ " x $1\frac{3}{8}$ " slats placed $\frac{1}{8}$ " apart and screwed to strings. Nosing slat shall be $3\frac{3}{4}$ inches wide with rounded edge.

Barge Boards.

Barge Boards shall be 6" x $1\frac{3}{8}$ " pine, shaped as shown and secured to 4" x 4" lookouts at approximately 36" centres.

Fascia.

Fascia to be of pine of the dimensions and constructed as shown.

Exterior trim

All window and door openings shall be trimmed with 4" x $1\frac{1}{8}$ " trim, mitred at corners, heads and sides in one piece only.

Base

Run 8" x $1\frac{1}{8}$ " base board round the entire building at the height shown, to be mitred at all joints and corners.

Miscellaneous

Seats to be supported on neatly constructed brackets of dressed 2" x 4" brackets at 4 ft. centres. Seat to be of $1\frac{1}{4}$ " T. & G. birch or maple battens, to be the full width shown. Outer batten to project one inch over brackets and to have full rounded edge.

Provide turned hardwood pegs to detail and securely screw to walls in positions shown. Barrier to be constructed and secured in position according to detail.

Board Walk

Board walk to be constructed as shown on 5" cedar post and sleepers as before specified. Walk to be planked with 2" rough hemlock plank securely spiked to sleepers.

Hardware

Porch Doors (2).—1 pr. to each 12" strap hinges. One to each door latch similar or equal to No. 127. Catalogue Richards-Wilcox p. 126.

Doors Covered Way (2).—2 pr. to each 12" strap hinges. 2 to each door 4" steel barrel bolts. On to each door latch similar and equal to No. 5 Belleville Lock and Hardware Co. Catalogue p. 324.

Entrance Doors (5).— $1\frac{1}{2}$ pr. to each 3" x 3" L. P. Butts, steel, finish dull black. One to each outside door set with Yale lock escutcheon plates, knobs, etc., complete, similar and equal to No. 0893 Catalogue Belleville Lock and Hardware Co. p. 63.

Door.—W.C. One pair $2\frac{1}{2}$ x $2\frac{1}{2}$ L. P. Butts steel, finish dull black. One lavatory door catch similar and equal to No. 8757 Catalogue Belleville Hardware Co. p. 282 and thumbpiece 226 N.

Casements (8).—2 pr. to each $2\frac{1}{2}$ x $2\frac{1}{2}$ L. P. Butts steel, finish dull black. 2 to each 3" bolts. 1 to each brass casement sash fast similar and equal to No. R. 8597 Catalogue Belleville Hardware Co. p. 275.

Boiler Houses Groups 5 and 7

The provisions and specifications governing Explosives Stores, Groups 5 and 7 as previously detailed shall apply to construction of these buildings, with such additions and exceptions as may be evident from plans or as hereinafter detailed.

Ceiling

The ceiling in Boiler Room only shall be sheeted with 1/8th inch thick asbestos board of similar quality. Ceiling to be nailed to 2" x 1½" furring strips with large headed nails. Furring strips secured to tie-beams. All joints on angles to be covered with galvanized iron strips as specified for ceilings in Explosive Stores.

Pipe Supports

Construct wooden-pipe supports for use in steel culvert conduit (three to each conduit) to details given. Supports to be neatly and accurately made and strongly held together by screws at all joints.

Hardware

Entrances (2).—To each 1½ pr. 3½ x 3½ L. P. Butts, steel, finish dull black. 1 to each Yale Night latch No. 44 and 3 keys. One to each door latch similar and equal to Richards-Wilcox No. 125. (Catalogue Richards-Wilcox p. 124).

Double Entrance doors Coal Shed (2).—to each, 3 prs. heavy strap hinges to detail. To each leaf bottom bolt similar and equal to Richards-Wilcox 524-1. (Catalogue Richards-Wilcox p. 65).

Hardware

Ash bin (2) 1½ pr. 3½ x 3½ L.P. Butts steel, finish, dull black, 1-6" barrel bolt.

Married Quarters

Studding.—All interior partitions shall be constructed of 2" x 4" studding set 16" on centres, sills and caps of 2" x 4" doubled. There shall be one row of girths in the height of each partition.

Double Boarding.—All sloping ceilings in attic that are formed by rafters also sides of dormers are to be boarded on the inside, then covered with heavy building paper, strapped and prepared for plastering.

Floor Joists.—Floor joists shall be the sizes marked on drawings. All joists shall be sized to an even bearing. The ends of all joists in wall shall be splayed and shall have a 3½-inch bearing. All joists shall lap 6 inches past the centre of girders where they rest upon same. Joists shall be doubled under all partitions.

Headers and trimmers shall be framed around all openings in joists and rafters.

Bridging.—Joists shall be bridged with one row of 2" x 1" bridging at every five feet.

Timber Near Flues.—Joists and Rafters shall be kept at least two inches from outside of flues.

Rough Floors.—Over the whole area of ground and first floors lay a rough floor of ¾" tongued and grooved flooring laid diagonally and twice nailed at every bearing.

Strapping

Strap all ceilings with 2" x 1¼" strapping at 16" centres.

Roof Framing

Roof rafters shall be of the sizes and spacing shown on plans. Wall plates shall be 2" x 8" doubled and shall be bedded in a layer of fresh mortar spread by mason.

Frame around openings in rafters in the same way as specified for floor joists.

Roof Boarding

Cover the whole area of roof with $\frac{7}{8}$ " T. & G. laid diagonally to rafters.

Grounds

The contractor shall furnish and set grounds for all interior finish.

Coal Bins

Partition off coal bins in cellar with 2-inch planks and 4" x 4" posts secured to walls and ceiling, arrange movable sliding plank doors in separate pieces.

Verandah Steps

Steps shall be framed with $1\frac{1}{8}$ -inch ends reinforced with a 2-inch rough string inside and rough centre string, with treads formed of slats $1\frac{3}{8}$ inches thick spaced $\frac{1}{2}$ inch apart.

Nosing slat shall be $3\frac{3}{4}$ inches wide with rounded edge and mould under, and the inside slats $2\frac{3}{4}$ inches wide.

Nosing strip shall extend around the ends of the treads with moulding underneath.

Verandahs

Construct verandahs on supports as shown. Floor with $1\frac{3}{8}$ " thickness T. & G. pine battens, all joints being coated with white lead before laying. Roofs, cornices, handrails and balusters to be in accordance with details supplied.

Fascia

Shall be $\frac{7}{8}$ inches thick with cavetto moulding.

Eaves Soffit

To be filled with $\frac{7}{8}$ -inch T. & G. and beaded boarding with small moulding at wall angles.

Barge Boards

To be of the dimensions and shaped as shown, secured to roof timbers with 2-inch x $\frac{3}{8}$ -inch angle straps every three feet the full depth of barge and screwed to same. Angle straps to catch 3 rafters and to be firmly screwed to rafters.

Dormers

To be built of 2" x 4" studs, roof and sides covered with boarding as specified for roofs, finish as shown on drawings.

Finished Floors

Cover the whole area of Ground and First Floors with heavy building paper and then lay a finished floor of $\frac{7}{8}$ " T. & G. first quality birch or maple flooring, battens not over $2\frac{1}{4}$ -inch face, dressed and matched and end matched.

All flooring shall be driven up with blocks to protect tongue and shall be blind nailed at every 24 inches and face nailed at every end joint.

These shall be as few as possible and staggered in a satisfactory manner. All flooring shall be scraped smooth after laying and left ready for finishing by painter.

Mitred Borders

Put in mitred margins in hardwood 3" in width round hot air registers.

Box Window Frames

Windows to be box-frame of dimensions shown 3 inch weathered oak sills, $1\frac{1}{8}$ inch pulley stiles and heads all tongued to $\frac{7}{8}$ inch grooved inside and outside linings, inside lining to be grooved for plaster, $\frac{1}{2}$ inch parting beads, $\frac{1}{2}$ inch back linings, $\frac{1}{4}$ inch parting slips. Each frame is to be fitted with 2 inch rebated and moulded sashes, both top and bottom sashes to be fitted with one pair to each approved form of automatic sash holder. The meeting rails are to be $1\frac{3}{4}$ inches thick, bevelled and rebated. The whole shall be put together in the best manner. Sashes to be subdivided as shown.

Provide to all windows and doors on outside of frames $1\frac{3}{8}$ x $1\frac{3}{4}$ inch hanging staff beads, beaded on edge. Prepare for storm sash or shutters.

Basement Windows

All basement windows to have 2-inch casement sash in proper 3-inch solid rabbeted frames and 2-inch weathered and rabbeted oak sill. Each window to be hung from the top and to have butts, casement sash fast and hook and eye arranged to keep window open.

Storm Sash

All windows to be fitted with storm sash $1\frac{3}{8}$ inches with subdivisions to range with those in permanent sash, each fitted with one hardwood sliding sash, excepting basement storm sash.

Caulking Frames

After frames are set remove staff beads and caulk and point around frames and sills with oakum.

Replace staff beads after caulking has been inspected by the Officer in charge of Works.

Outside Door Frames

To be of pine $3\frac{1}{2}$ inches thick rebated for doors, doors to have hardwood thresholds.

Inside Frames

Inside doors to be hung to $\frac{7}{8}$ inch jamb linings, with $\frac{1}{2}$ inch bull nosed stop, fixed to proper linings.

Doors

To be best quality pine or fir stock doors of the dimensions and patterns shown on drawings. All doors shall be accurately fitted, having $\frac{1}{16}$ inch clearance at sides and $\frac{3}{16}$ inch clearance at bottom.

Architrave

Trim around all door and window openings with $\frac{7}{8}$ inch x 4 inch architrave moulded on two edges, mitred at angles. There shall be no joints excepting at angles.

Architrave Blocks

Set blocks to each door opening, to be height of base and projecting $\frac{1}{4}$ inch beyond architrave.

Stools and Aprons

The stools to windows to be $1\frac{1}{8}$ inch thick, moulded on edge and extending 2 inches beyond back of architrave, to be tongued and let into groove of window sill. The aprons to be moulded to match plate or architrave.

Base

Base to all rooms, closets etc., to be of pine 8 inches in height and simply moulded on the upper edge, to be mitred at all angles, and secured to proper backing.

Shoe Strip

To be $\frac{7}{8}$ inch quarter round, mitred at all angles and secured to floor.

Cupboards

Kitchen cupboards to be framed up of $\frac{7}{8}$ inch stuff up to a height of seven feet. To project 18 inches from wall up to a height of 2 feet 6 inches above floor and 12 inches from thence to top. Set one shelf in lower portion and four shelves equally spaced in upper portion. Shelf over lower portion to be rounded at edge, to project one inch. Both upper and lower portions to be fitted with strong batten doors in two leaves to each section of cupboards, making a total of eight leaves required to each cupboard. Finish cupboards with simple two-inch mould at head, base to match other base trim in kitchens.

Clothes Closet

In all, bedroom closets instal a $\frac{7}{8}$ inch x 10 inch shelf and $\frac{7}{8}$ inch x 4 inch rail below.

Linon Cupboard

Shelves in linen cupboard to be 12 inches in width, the full length of cupboard. There shall be five shelves in height of cupboard.

Picture Moulding

Run $\frac{7}{8}$ inch picture moulding in all rooms on Ground and First floors ten inches below ceilings.

Stair handrails and balusters

Handrail from Ground Floor up to be stock moulded birch handrail $2\frac{3}{4}$ " x $2\frac{3}{4}$ ", grooved for balusters.

Balusters to be $1\frac{3}{8}$ " turned stock balusters, 32 inches long, two to each tread, dowelled to treads.

Newels shall be of pine, 4" x 4" square, shaft, stock pattern with neat moulded cap and moulding below. Heights as required.

Staircase

Construct staircase from Ground Floor up with 2" rough wall strings, $1\frac{1}{4}$ " birch tread and 1" pine risers, all glued, grooved and blocked together, housed to strings, wedged, blocked, and bracketted. Portion of string exposed on Ground Floor to be covered with moulded fake string panelled and finished with simple mould. Seat in hall to be of $1\frac{1}{8}$ " T. & G. birch, outer batten rounded at edge.

Cellar Stairs

Construct stairs to cellar with 2" x 12" rough strings and treads 10" in width of 2" plank.

LIST OF LOCKS, HARDWARE, ETC.

Catalogue numbers from the catalogue of the Belleville Hardware and Lock Manufacturing Company of Belleville, Ontario.

In all cases where catalogue numbers are given read "similar and equal to approval."

Butts—38 pairs $2\frac{1}{2}$ " x $2\frac{1}{2}$ " L.P. Steel

9 pairs 3" x 3" L.P. Butts, bronzed finish

26 pairs 2" x 2" L.P. Butts, steel

Door—2 Front door sets. 08293 P. 64

Sets —2 Front door sets.	0893 P. 63
(Complete) 20 Inside door sets	08193 P. 65
2 Bath room sets	07113 P. 323
Extension Belts—4.	815 P. 279
Cupboard—16 Cupboard catches	972 P. 308
Catches. —8 Cupboard turns.	907 P. 306
Sash lifts, etc.—28 pairs sash lifts.	88 P. 260
28 Sash fasts.	55 P. 258
56 Pairs Automatic Sash Holders	
Hook and eyes—10 (1") (Cellar Windows)	
76 (1") (Storm Sash)	

Any rough hardware necessary for completion not included in the above list to be supplied and installed by the Contractor.

REINFORCED STEEL

Steel Reinforcement

All steel used for reinforcement of concrete shall be mild grade, having a minimum yield point of 33,000 pounds and to a tensile strength of 55,000 to 70,000 pounds per square inch and shall conform to the standard specifications of the Engineering Institute of Canada.

Mesh reinforcement shall be of a standard brand to approval providing the full steel area required.

Cleaning and Placing

All steel reinforcement before being placed in the forms shall be thoroughly cleaned of all loose, scaly, rust, dirt, paint, oil or any coating that may be detrimental to the positive adhesion of concrete to steel. Reinforcing shall be blocked up one inch from forms by cement blocks or other satisfactory method and rods shall be firmly secured in place by strong wire ties.

STRUCTURAL STEEL

This Contractor shall furnish and erect all structural steel and iron work shown on the drawings or described in the specifications together with all bolts, anchors, fittings, rivets, etc., necessary.

This Contractor shall do without extra charge, all cutting, fitting, and drilling of steel and iron work necessary to complete same. He shall furnish all labour and material of every description connected with the completion of the work specified, including all cartage, hoisting apparatus, scaffolding, etc.

Shop Drawings

The Contractor shall prepare and submit to the Officer in charge of Works, for his approval, complete shop drawings of the herein proposed work. These drawings shall be altered and amended as often as required until fully approved by the Officer in charge of Works and no steel shall be placed on the works until such approval has been given.

Materials

Steel may be open-hearth or Bessemer process.

The chemical and physical properties shall conform to the following requirements:—

Chemical and physical properties	Structural Steel	Rivet Steel	Steel Castings
Phosphorous, Maximum..	0.04%	0.04%	0
Sulphur, Maximum..	0.05%	0.04%	0
Ultimate tensile strength, lbs per sq. inch..	60,000	50,000	65.0
Elongation, minimum percentage in 8 ins..	1,500,000		
	Ultimate tensile strength		15%
Elongation, minimum percentage in 2 ins..	22		18
Character of Fracture..	Silky	Silky	Silky fine granular
Cold bends without fracture..	180° flat	180° flat	90

Finish

Finished material shall be free from injurious seams, flaws, cracks, defective edges or other defects, and shall have a smooth, uniform workmanlike finish.

I Beams

Furnish and erect steel I beams in Explosive Stores, Groups 5 and 7, as shown on drawings.

I beams shall be in one length to each bay with bearing on piers at least 8 inches.

I beams to be bolted to walls as shown, and to be drilled where necessary for attaching piece for radiator hangers.

Provide and set standard steel bearing plates 20"x12" over brick piers under I beams. Upper flange of I beam to be drilled to receive bolts for rail.

Rails

Furnish and put in place standard 16 lb. steel railway rails, set over centre of I beam and secured as shown on drawings.

Rails to be continuous from end to end of buildings on each side of Explosive Stores, Groups 5 and 7. Rails at joints to have proper standard fish-plates and bolts. On completion the top of rails shall be absolutely level from end to end.

Structural steel, excepting rails, shall receive one coat of non-lead paint before leaving Factory. On no account shall a paint containing any lead whatsoever be used on any portions of structural steel.

ROOFING

Asbestos, Slate Roofs

Roofs of Explosive Stores Groups 5 and 7, Boiler Houses, Landing Shed, Shifting Lobby and Married Quarters, shall be roofed with Asbestos Cement Shingles, Grey 16" x 16", to be as manufactured by the Asbestos Manufacturing Co., of Lachine, P.Q., or similar and equal brand to approval, applied as hereinafter directed.

Felt

Over the whole areas of roofs lay heavy tarred building paper, tacked on with 4 inch lap and at hips and valleys with one foot lap.

Shingles

Lay cant strip, one inch thick along lower edges of roofs, flush with edge of roof boarding.

Apply proper starters overhanging eaves 1½ inches and then cover remainder of roofs with shingles as previously specified, laid diagonally and exposing 13 x 13 inches to weather.

Each shingle to be nailed with two 1½ inch Galvanized iron nails and copper storm nails at tip of shingles as recommended by manufacturers.

Hips and ridges to be covered with special shingles made for the purpose on ridge and hip poles as required. All hips and ridge to be made watertight previous to application of ridge roll.

No galvanized iron or lead flashings will be allowed on Explosive Stores, Groups 5 and 7.

Flashings required to be of zinc (see Sheet Metal).

Composition Roofs.

Roof of Porches and Covered Way at Shifting Lobby to be covered with three-ply "Everlastic" or other approval brand of roofing applied strictly according to the manufacturers specifications.

All roofs on completion shall be thoroughly watertight and shall be left clean with all scaffolding and debris removed from the premises.

Tar and Gravel Roofs.

Explosive Stores Annexes.

Before proceeding to work, the roofer will inspect the roof and report any defect, as he will be held responsible for the proper working of the roofs. Roof deck shall be smooth dry and free from loose material.

First.—Coat the entire surface with heavy coating of pitch and then lay two (2) plies of approved tarred felt, lapping each sheet seventeen (17) inches over preceding one.

Second.—Coat the entire surface uniformly with approved Pitch.

Third.—Over the entire surface lay three (3) plies of approved Tarred Felt, lapping each sheet twenty-two (22) inches over preceding one, mopping with approved Pitch the full twenty-two (22) inches on each sheet, so that in no place shall felt touch felt.

Fourth.—Over the entire surface pour from a dipper a uniform coating of approved Pitch, into which, while hot, embed not less than four hundred (400) pounds of gravel or three hundred (300) pounds of slag for each one hundred (100) square feet. The Gravel or Slag shall be from quarter ($\frac{1}{4}$) to five-eighths ($\frac{5}{8}$) inch in size, dry and free from dirt.

The felt shall be laid without wrinkles or buckles. Not less than one hundred and fifty (150) pounds of Pitch shall be used for constructing each hundred (100) square feet of completed roof, and the Pitch shall be heated above 100° Fahr.

PLASTERING

Requirements.

This Contractor shall furnish all labour and material required to complete the work of plastering as herein specified, including all lathing.

Temporary Heating.

The Contractor shall arrange for such temporary heating as may be necessary for the heating of buildings until plaster has become thoroughly dry. If permanent heating apparatus has been installed the contractor may, by permission of the Officer in charge of Works, use the same and shall be responsible for the care and maintenance of the system.

Explosive Stores Groups 5 and 7.

The interior faces of all walls below ceiling, including all reveals, projections, sills etc., and the walls of attached shifting lobbies shall be plastered two coats. Tile shall be thoroughly wetted before applying the first coat. Scratch coat shall be $\frac{1}{2}$ inch thick outside of tile surface and shall consist of one part Portland cement to three parts sand with not more than 10% of lime putty. Finish coat shall consist of one part Portland cement to two parts clean sand and shall be waterproofed by the addition of an approved branch of waterproofing compound. All corners to be chambered or rounded.

All surfaces to be kept plumb and even and all angles true. Finishing coat to be trowelled to a smooth even finish and left ready for painter.

Married Quarters.

Lathing.—Both sides of all interior partitions and all ceilings, soffits etc., above basement to be lathed with best quality pine lath spaced $\frac{1}{4}$ inch apart with $\frac{1}{4}$ inch space at ends. Lath to be nailed securely to each joist, stud or furring piece, with joints broken every fifth lath.

All angles to have suitable metal corner bead properly secured.

Plastering.—Work to be two coat work throughout of wood fibre plaster, brand to approval.

Plaster shall be mixed by hoeing the dry plaster into clear water to a thin paste and then adding enough dry material to bring to the proper consistency to apply. Allow to soak several minutes before using. No more material shall be mixed at one time than can be used in one and one half hours. No attempt shall be made to retemper surplus mortar or that which has begun to set, such material shall be discarded. Mortar box and tools to be kept clean.

Apply thin scratch coat pressing well into lath. When scratch coat has begun to set put on second coat up to grounds and trowel to a smooth finish.

All finished work shall be plumb and true, free from cracks and shall be to the approval of the Officer in charge of Works, any defective work being cut out and replaced to his satisfaction.

Clear away all debris and leave clean at conclusion.

STEEL SASH

Supply and set up standard Lupton, Fenestra, Trus-con or other approved type of factory sidewall sash of solid rolled section and of the dimensions shown.

Sash to be constructed in units called for with vertical reinforcing T-bar stiffeners, T-trussed out heads all for building into tight jambs, concrete sills and lintels as shown.

Dimensions of openings are shown to suit Lupton sash. These may be varied slightly if necessary to suit make of sash adopted.

Sash shall be set up and braced and built in as the work proceeds. Mason shall grout in frames as shown on details.

Sections of sash shown to open shall be pivoted at head to open outwards. Such sections shall be fitted with "Acme" (Hall and Quick, Hamilton, Ont.) or other approved make of sash operating device, to be operated by lever placed 6 feet 6 inches above floor.

Painting

Sash to be painted one coat non-lead paint before delivery. On no account will use of paint containing any lead whatsoever be permitted.

Steel cash required in Explosives Stores—Groups 5 and 7, Boiler Houses, and Landing Shed.

SHEET METAL

Explosives Stores, Groups 5 and 7

All flashings on these buildings to be of zinc No. 10 gauge, no galvanized iron to be used.

Flash at all junctions of walls and wherever necessary.

Flashings to be properly secured, let into walls, pointed soldered and pinned as necessary.

Flash at overhang of concrete roof with zinc flashing having beaded gravel stop and drip as per detail.

All other buildings

Flash wherever necessary with 26 gauge galvanized iron properly secured, let into walls pointed, soldered, and pinned as necessary.

Heating Conduits

Cover in ends of steel culvert conduits with galvanized iron as shown on details.

MISCELLANEOUS IRON AND STEEL WORK

Ladders

Supply and erect iron ladders to flat concrete roofs over annexes to explosives stores, Groups 5 and 7 formed of $\frac{1}{2}$ " by 2" side rails and $\frac{3}{4}$ " round rungs at 12" centres. Sides to be let into ground at foot to a depth of 12 inches and ladders to be firmly secured to roofs at heads.

Manhole Covers

Supply C.I. manhole covers and frames to septic tank and manholes on other drains, as shown on details, to be set by Mason. Covers to be 22 inches in diameter.

Culvert

Supply standard corrugated galvanized steel conduit of the lengths and diameters shown on details for heating main ducts. Conduit to be punched for screwing in wood frames to be fixed by "Carpenter."

Pipe supports

Supply supports of galvanized pipe made up to details, to support heating mains between Boiler Houses and Explosives Stores, to be set in place by "Mason."

Steel Channel Door Frames

Provide frames as required for doors (see "Door Schedule") of steel channels made up as shown on detail drawings. Channels to be joined at angles with steel angles riveted to channels. Channels to be drilled for bolts to hold wood frames at centres given.

Channel frames to be set up by "Mason."

Lightning Rods

Lightning Rods (4) to be built up of galvanized standard weight pipe and fittings as shown on detail. Rods shall be let into auger holes in ground before traverses are built, and shall be supported at base as shown.

Wall Ventilating Inlets

Supply (to be set by "Mason") ventilators to be set into walls as shown on drawings. Exterior and interior grids to be C.I. of pattern and dimensions shown. Interior grid to be fitted with full closing damper.

Roof Ventilators

Provide and set to roofs of Explosive Stores where shown on drawings roof ventilators similar and equal to "The Burt Metal Top Ventilator" (G. W. Read & Co., Montreal) with sliding sleeve and damper. Ventilator to be constructed of copper, 20 gauge, with 20 inch diameter neck. Shaft to be brought to ceiling level in copper and to be fitted at ceiling level with neat copper grating.

PAINTING AND GLAZING

This Contractor shall carefully examine the plans and specifications to ascertain the amount and character of the work to be painted.

Materials

All materials used shall be of the best quality and of such grades as to produce first class, perfect and durable finishes in accordance with the requirements of these specifications.

Explosives Stores Groups 5 and 7 and Landing Shed

Paints used in these buildings shall be absolutely free from lead in any form. Excepting as herein specified use best quality zinc-oxide or other approved paints.

All plastered surfaces shall receive one coat of varnish size and then two coats of flat white paint.

Woodwork

Knot, stop, and prime all woodwork. Fill over all nail holes, etc., with putty. All exposed woodwork to be painted two coats, after priming. Colour to approval.

Boiler Houses

Knot, stop and prime all interior woodwork and paint three coats pure white lead and linseed oil paint colours to approval. Trusses in coal and ash rooms to be omitted.

Steel sash and iron work to receive one coat paint before delivery and to be painted two coats pure white lead and linseed oil paint after erection, colour to approval.

Glazing

All steel sash to be glazed with $\frac{1}{4}$ " thick wire ribbed cathedral or factory glass, to be puttied and back puttied with special steel sash putty, clipped into place and left unbroken and perfect at completion.

Shifting Lobby and Married Quarters

Properly knot, stop and prime and paint three coats pure white lead and linseed oil both exterior and interior woodwork with the exception of floors, interior sheathing, ceilings, seats and pegs in Shifting Lobby.

Floors in Shifting Lobby to be finished with one coat cut varnish and two coats raw linseed oil.

Sheathing, ceilings and seats, hardwood pegs, etc., shall have one coat filler and two coats best quality varnish brand to approval.

Hardwood floors in Married Quarters to receive one coat cut varnish and two coats of the best quality floor varnish brand to approval.

Glazing.

Entrance Doors and double doors in Living Rooms, Married Quarters shall be glazed with D.D. glass held by wood fillets.

All other sash, etc., to be glazed with clear 16 oz. sheet glass, bradded, puttied and back puttied and left clean and perfect at conclusion.

Portions of partitions to lavatories in Shifting Lobby shown as glazed shall be glazed with muraneze or similar pattern obscured glass.

ASPHALT MASTIC FLOOR OVER CONCRETE BASE

(1) General

(a) Contractor's Equipment

The Contractor shall furnish all materials, tools, equipment and labour required to lay the floor to these specifications.

Unless otherwise specified the Contractor shall deliver on the site all the materials, tools and equipment required, before the commencement of the

work. The Officer in charge of Works may at any time before the commencement of the work, or from time to time during the progress of the work, take samples of materials for weighing tests or laboratory tests. Should any materials be found not in accordance with these specifications they are subject to rejection, together with the portion of the floor already laid under this contract.

(b) Inspection of Concrete Base

The Contractor shall examine the concrete base and will report any condition which is unsatisfactory for laying the floor. He shall sweep the base clear of all dust, cinders, splinters, nails or any other substance.

(c) Brands and Labels

The Contractor shall state in his tender the brands of the various materials he proposes to use.

All materials shall bear manufacturers' labels, showing their source of origin.

(d) Inspection

The Contractor shall render any assistance required to facilitate inspection.

(e) Workmanship

The floor shall be laid by experienced, skilled workmen under a competent foreman.

(a) Preparation of Concrete Base

The concrete base shall be carefully screened with a straight edge but not trowelled, the Asphalt Contractor shall report any unsatisfactory conditions in writing before he commences laying the asphalt.

Asphalt Floors

Asphalt floors to be of best quality non-gritty Trinidad or other approved asphalt.

Chemical Examination

The Asphalt to be submitted to a chemical examination, if thought necessary, which shall have reference to the following qualities:—

1. The asphalt, when subjected to a temperature of 106° Fahrenheit, shall not be appreciably soft.

2. It shall be perfectly free from admixture with coal, pitch or any other combustible substance than mineral tar.

3. It shall also be free from any combustible substance, with the exception of these constituents found in the rock from which the asphalt is prepared, and to be free also from grit (small stones) loam, or earthy particles.

To pure asphalt, reduced to a fine powder, add mineral tar $\frac{1}{2}$ per cent by weight.

The finished asphalt floor to be $1\frac{1}{2}$ inches thick, laid in two layers, breaking joints.

The surface of floor, while hot, is to be sprinkled with chalk powder and stamped well.

PLUMBING

General

The Contractor is to take measurements at the buildings, set out all work, and to be responsible for the accuracy of same. He is to provide all labour, transportation of material and give personal and constant attention to the work under his contract. He shall supervise all cutting and making good by other trades. All material to be used in the work to be new and of the best quality of their several kinds.

None but skilled experienced workmen and their apprentices to be employed on the works. Any work or material obviously necessary for the proper completion of the work, although not specified herein, to be done or supplied by the Contractor without any additional charges, it being understood that the amount of the tender covers everything necessary for a complete and first class job. All cast iron pipe and all necessary bends, offsets and other fitting for iron pipe throughout to be of the best quality, clean and free from all rust, dirt, scales or other defects and thoroughly coated inside and out with asphaltum varnish.

Explosives Stores Groups 5 and 7.

In each building provide and set up galvanized water supply tank, 18 inch diameter by 6 feet in length. Tank to be supported by strong C. I. brackets which shall be secured in place with $\frac{7}{8}$ " x 10" bolts to pass through tile walls with 3 inch by $\frac{3}{8}$ inch washers on outside. Bottom of tank to be level with top of expansion tank. Leave nipple and elbow for connection to expansion tank. Connect tank with one inch galvanized supply pipe which shall be carried with run of H.W. pipes through conduit in traverse to Coal Store of Boiler House. Supply pipe to be carried to outside of front wall as shown with shut-off valve on inside. Leave end of pipe capped. Runs of pipe outside of building to be wrapped with $\frac{1}{2}$ inch felt, well lapped and then covered with canvas waterproofed with roofing pitch. Provide gauge glass with bronze mounting to each tank. Arrange for and instal 1" vent pipe from top of tank to be carried through and project 6 inches beyond wall, finish with elbow turned down.

Landing Shed and Shifting Lobby

Run 1½ inch galvanized supply pipe below frost line from a point six feet from well (approximately 130 feet N. from N.W. corner of Landing Shed) along rear of buildings to South end of Shifting Lobby. Leave end at well in rough box for connection to pumping outfit to be installed later (NOT IN THIS CONTRACT).

Lay 1" branches galvanized iron pipe to Boiler Room and Shifting Lobby, leave one inch ready for connection to boiler and to H.W. tank and branch and connect to fixtures in Shifting Lobby as required.

Provide and set up in Boiler Room (Landing Shed) a 30 gallon galvanized iron H. W. tank and stand complete. Connect to supply and leave for connection to ring in boiler. Lay on supply to basins in Shifting Lobby. Pipes to be carried above ceiling and to be wrapped with felt.

Tank Heater

Provide and set up in Boiler Room (Landing Shed, Shifting Lobby) one jacked heater similar and equal to Gurney "B" Series. Connect with galvanized iron smoke pipe of proper diameter to boiler smoke pipe and initial key damper. Connect to hot water boiler and leave all in perfect working order.

Provide and set up complete in every respect in Shifting Lobby.

Two closets complete in every respect similar and equal to No. C. 11220 p. 503. Catalogue Crane Limited.

Four enamelled iron lavatory basins similar and equal to No. C. 2410 p. 431. Catalogue Crane Limited.

Soil pipe and drains

From a point three feet outside of building drain shall be 4 inch of standard weight C. I. pipe, of the best quality, free from all defects and with all necessary Y's, bends, elbows, traps, etc.

Cleanouts with C. I. covers packed and bolted to screw plugs shall be provided at points required to enable drain to be cleaned throughout. All joints to be made with oakum and molten lead thoroughly caulked and made perfectly tight. Carry 4" soil pipe in position shown up to a point 3 feet above roof and flash at junction with roof with 6 lb. sheet lead flashing to form a perfectly water-tight joint. Properly connect all fixtures to drains and backvent all fixtures to soil pipe above highest fixture. Connect C. I. drain to tile sewer with brick collar laid in Portland Cement.

Closet Vents

Provide and install to each closet 2 inches diameter galvanized ceiling vent, enlarged to 4 inches with funnel at ceilings. Connect to 3 inch galvanized vent pipe which shall be carried up three feet above roof and finished with hood cover. Properly flash at junction with roof.

Married Quarters

From a point 3 feet outside of buildings run four inch C. I. drain, to be connected to drain leading to septic tank. Continue run of drain up to points as shewn 3 feet above roof the installations to be as specified for drain in Shifting Lobby.

Provide and set in each basement, trap for floor drain fitted with 4 inch C. I. strainer.

Provide and set in each residence in the positions shown the following fixtures complete in every respect:—

Sinks.—Enamelled iron sink and laundry tray combination, complete with all fittings, similar and equal to No. C. 21130, p. 600. Catalogue of Crane Co. Ltd.

Baths.—Enamelled iron bath on legs, 4 feet 6 inches in length complete with all fittings, similar and equal to No. C. 3462, p. 451. Catalogue of Crane Co. Ltd.

Wash Basin.—Enamelled iron lavatory basin 17 x 19 inches complete with all fittings, similar and equal to C. 2348, p. 430. Catalogue of Crane Co. Ltd.

Closets.—Wash down closet complete with all fittings similar and equal to No. C. 11220, p. 503. Catalogue of Crane Co. Ltd.

Range Boiler.—30 gallon galvanized range boiler and stand, connected to water supply and with hot water supply pipes to sink, bath and wash basins. Leave plugged for connection to range.

Electric Pumping Outfit

This contract shall include the supply and installation of one electric pumping outfit to supply the two residences.

Pumping outfit shall be set in a convenient position in basement and shall have inlet installed to well.

Plant shall be an automatic unit with air pressure tank of "Fairbanks Morse" or other approved manufacture suitable for the suction lift required and shall have a capacity of not less than one hundred and eighty gallons per hour. The Plant to be complete with gauge, gauge glass and all necessary valves and fittings and motor to suit current to be provided left ready for wiring to be connected by Electrician. Connect with suitable size galvanized pipe to all fixtures in both residences.

Septic Tank

Furnish and install all fittings required in Septic tank according to detail.

The whole of the plumbing work shall be carried out in accordance with the by-laws of the City of Halifax and the different systems shall, at conclusion be left in perfect working order.

HEATING

This Contract shall include the installation of:

Hot Water heating system—Group 5.

Hot Water heating system—Group 7.

Hot Water heating system—Landing Shed—Shifting Lobby.

Installation of two "Pipeless" furnaces in Married Quarters.

General

All material furnished must be the best of its respective kind and all work must be done in accordance with the rules and regulations of the Board of Fire Underwriters and the Building laws in force in the City of Halifax.

The heating Contractor must co-operate with all other contractors and perform his work in a manner and at times as not to delay the progress of the building.

Anything not entirely clear on the drawings or in the specifications will be fully explained if application is made to the Officer in charge of Works. No work must be proceeded with that is not entirely understood by the Contractor without referring it to the Officer in charge of the Works.

Cutting

All cutting, excavating, filling in, and making good shall be done by the Contractor whose trade it pertains to, but this Contractor will be held for the correct information for such contractor to work to and he will have to make good any damage done by unnecessary cutting.

Scope of Work

This Contractor is to provide all the material and apparatus and execute and complete all work described herein and shown on the heating and floor plans of the buildings, including the boilers and all the apparatus pertaining to them. All to make complete working systems in accordance with the true intent and meaning of the accompanying plans and specifications. Any apparent discrepancy or technical omission in either these plans or specifications, or both, will not admit of any changes over and above the contract price, and such omissions or discrepancies shall be made good by the Heating Contractor at no charge whatever.

*Explosive Stores Groups 5 and 7 and Landing Shed-Shifting Lobby**Boilers*

Boilers shall be No. 917 series Gurney Hot Water Boilers or equal to approval and of the following rated capacities:—

Explosive Store Group 5—1,500 sq. ft. radiation.

Explosive Store Group 7—1,250 sq. ft. radiation.

Landing Shed—Shifting Lobby—1,250 sq. ft. radiation.

Boilers shall be supplied complete with all necessary tools, including one poker and slice-bar, one fire brush and handle and one slicing shovel. Each boiler shall be equipped with a 5 inch dial altitude gauge with moveable hand.

Boilers will be connected to flues with smoke pipes of No. 16 black iron, the pipes to have areas full size of the opening in boilers. Pipes shall have key-dampers, check dampers and clean-out doors

Connect boiler in Landing Shed-Shifting Lobby to water supply and leave capped Tees on other boilers for future connection. The draw-off cocks shall be placed at the lowest points of the systems and fitted for hose attachments.

Water Front

The boiler in Landing Shed-Shifting Lobby shall be fitted with hot water front of suitable size. Connect to supply and to H.W. tank to be furnished by "Plumber".

Exposed portions of boilers shall be covered two inches thick with plastic asbestos cement.

Covering Mains

From the boilers to the actual entry to buildings all supply and return mains shall be covered with cellular asbestos pipe cover, one inch in thickness as supplied by H. W. Jones-Manville Co., or equal to approval. Covering to be held by lacquered brass bands not over 18 inches apart. Over this covering wrap with heavy canvas well lapped, wired on, and waterproofed with heavy coating of roofing pitch.

Mains

Mains to be of the sizes shown and carefully run to grades given. Where mains pass through the walls they shall be provided with proper pipe sleeves.

All pipes used throughout shall be of best quality wrought iron pipe of standard weight and thickness, smooth inside and free from imperfections. All threads shall be cut straight and true. All fittings shall be of best heavy gray iron with taper threads.

At proper points on mains, branches and returns there shall be located right and left couplings or flanged unions, so that parts may be disconnected without injury to the balance of the system. Coupling may be used for all pipes up to two inches in diameter, all larger pipes shall be connected with flanged unions made tight with proper gaskets.

Supports, etc.

All piping to be supported at 10 feet intervals as shown. Both pipes and radiators in Explosive Stores and in Landing Shed to be blocked out six inches from walls on blocks to be set by Carpenter. Where hangers are not shown a neat adjustable hanger shall be used.

Where pipes pass through floor, ceilings and walls, they shall be covered with neat cast iron plates nickel plated.

Radiators

Radiators to be C. I. Wall type radiators. Where "Narrow" radiators are shown use special pattern with sections having outside measurement in depth of $13\frac{5}{16}$ inches.

Expansion tanks

Expansion tanks in Explosive Stores to be of twenty four gallon size to be of hardwood outside, lined with 16 oz. sheet copper. Tanks to be provided with ball float valve and to be automatic in action, arranged to fill system as required. Connect to reserve supply tank as indicated on drawings. Overflow pipe to pass through wall to waste outside. Tanks to be provided with gauge glass and to be supported by strong brackets bolted to walls with $\frac{3}{4}$ " x 10" bolts with 3" x $\frac{3}{8}$ " washers on outside.

Tank for Landing Shed-Shifting Lobby system to be 24 gallon tank similar and equal to C. 39850 p. 848 Crane Co., Catalogue, with gauge glass and metal bracket as C. 39870 same page.

Radiator Valves

Each radiator shall be controlled by quick opening valves, nickel plated, with hardwood handles.

Painting

Contractor shall make arrangements to make pipes and radiation accessible for painting (see specifications "Painter").

Test

When completed the system shall be tested and made airtight.

Married Quarters

Supply and set up complete in basements of Married Quarters two "Pipeless" H.A. furnaces, each with a rated capacity of 10,000-15,000 cubic feet. Furnaces to be similar and equal to "Quaker No. 1," p. 818, Crane Co. Catalogue. Connect furnaces to chimney with 9 inch diameter 24 gauge galvanized iron smoke pipe with check and key dampers. All bends and turns in pipe to be made with three piece elbows and all pipes to be firmly supported by wire 12 inches below ceiling.

Cut in for H.A. register 12 x 16 inches in Dining Rooms. Furnish and set register of these dimensions and of suitable pattern and connect to warm air chamber of furnace with proper size duct of No. 9 tin, duct to be air and gas tight and where passing through floor and partition to be wrapped with heavy asbestos paper.

ELECTRICIAN

General

Contractor shall include the execution, erection and completion of a complete system of electric wiring, as hereinafter described and shown on plans, together with the furnishing of all materials, appliances, tools, scaffolding, apparatus and labour necessary for said execution, erection and completion except as otherwise distinctly stated. All materials to be to the approval of the Officer in charge of the Work. The contractor is to be responsible for his materials and work until the work is completed and accepted by the Department, and a final certificate granted, and to change at his own expense any wiring, fittings, switches, fixtures, etc., that fails to give complete satisfaction for a period of one year after final acceptance of the work by the Department.

The Contractor shall be held personally responsible for any unnecessary damage by cutting, or damages caused by negligence of himself or any of his employees.

The Contractor must be ready to proceed with the work at once when notified that the building is ready for wiring and to carry the work through without delay, so as not to hinder other trades, nor interfere with their work.

This Contractor is to maintain a competent man on the work at all times during working hours and to employ none but competent men at any time.

All work shall be done in accordance with rules and regulations of the Canadian Fire Underwriters' Association and upon completion of the work a certificate of inspection shall be obtained from the local inspector. The Contractor shall pay all fees connected with this work.

The plans show the approximate location of all light and switch outlets, but the price bid shall include changing the location of any and all outlets to make them come in the centre of the panels or to meet the exigencies of design or construction in any manner as the Officer in charge may direct. No extra will be allowed for such change of location unless the distance exceeds 10 feet, in which case a rate will be decided before the extra work is started.

Samples

Samples of all materials and fixtures will be submitted to the Officer in charge of Works for approval before the work is proceeded with.

Tests

The testing of the installation will be carried out in accordance with the National Electric Code Regulations. The Contractor shall supply all necessary apparatus for tests and will give not less than 48 hours notice of any proposed tests.

Explosives Stores Groups 5 and 7.

From a point outside of each building lay $1\frac{1}{2}$ inch waterproof conduit two feet below grade to the wall of the building at point of entry of service the total length of underground conduit to be seventy-five feet. The location of points of commencement and points of entry to buildings will be pointed out by the Officer in charge of Works. At points of commencement conduit will be turned up to a height of two feet above grade and left secured to a temporary stake. Service wires to be pulled through underground conduit and to be led in conduit to service switch so that the installation in these buildings will be complete from outlets to commencement of underground conduit.

Service Switches.

Service Switches shall be Square D. No. 8251 enclosed, 2 pole plug fused 30 amp. switch.

Wiring.

The manner of wiring throughout these buildings shall be that commonly known as metal conduit work and all wiring and conduit shall be installed in accordance with the latest rules and regulations of the National Electric Code Regulations and Canadian Fire Underwriters Association. Conduit in Shifting Lobbies and Porches shall be run on ceiling, in Stores shall be run above ceiling and kept over tie beams. Conduit shall be firmly secured with proper fastenings and shall be provided with all necessary elbows, junctions, etc., and shall be so installed that the wires for the different circuits may be easily drawn in after conduit is installed.

Per Cent Loss.—The fall of the Potential from the main cut-out to the extreme outlet, not to exceed 2 per cent at full load, and the variation of voltage between any two outlets not to exceed 1 per cent.

Capacity.—All wires to be calculated on a basis of 100 watt per lamp.

Carrying Capacity.—The carrying capacity of all wires shall be 25 per cent in excess of maximum load.

Wire.—All wire to be soft drawn copper 98 per cent conductivity, of full size, according to B. & S. gauge, and have an approved rubber or slow burning insulation.

Fuze block and Circuit Switches.

From the Service Switch leads shall be carried in conduit as previously specified to the distribution and placed as shown on plans. Lights to be carried on three circuits, divided two to Store Room, one to Shifting Lobby and Porch Lights. Fuzes to be mounted on proper fuze block with double pole tumbler switch below to each circuit. The whole to be enclosed in steel box, box to be provided with lock and two keys.

Outlets.

Arrange for outlets as shown on plan. Lights in Shifting Lobbies and Porch to be fixed to ceiling, lights in Store arranged in ceiling as shown on detail drawings. Supply and instal at each outlet, excepting interior porch lights, a Wheeler gas and vapourproof fixture, No. 2216, p. 369 Catalogue of the Canadian General Electric Company. Fixtures to be fitted for connection to $\frac{1}{2}$ inch conduit and to be complete with reflector, lamps of the wattage marked and wire guard F.

Exterior porch lights to be fitted to 4 inch outlet boxes by bending piece of $\frac{1}{2}$ inch conduit to curve approximately 45° and securing conduit to box cover by bushing and locknuts. Fit with Wheeler standard angle reflectors No. 1381 (C.G.E. p. 368), 40 Watt lamps and wire guards.

Landing Shed, Shifting Lobby.

The wiring in these buildings shall be in metal conduit the installation as method and material being governed by the provisions of these specifications referring to Explosive Stores. The installation shall be complete from and including the service switch.

Lights.

Lights in Landing Shed shall be similar in all respects to those specified for Store Rooms in Explosive Stores. Other lights inside buildings to be drop lights, outlet box covers to be of porcelain, lights to be held in porcelain socket hung by reinforced cord. Lights to hang not less than 8 feet 6 inches above floor. Each light to be fitted with 10 inch diameter para-steel reflector similar and equal to Wheeler D.E.R. 25 and D.E.R. 100 p. 366 Catalogue Canadian General Electric Company.

Instal lamps of the wattage shown and provide wire guards to each.

Outside lights to Landing Shed to be as specified for exterior Porch lights —Explosive Store.

Lights to be controlled by D.P. Porcelain surface rotary switches, located as shown.

Service Switch

Service Switch for Landing Shed-Shifting Lobby and distribution panel to be located in Boiler House at end of Landing Shed. Service Switch to be as specified for Explosive Store. Fuze Block to be of porcelain for plug fuzes, providing the necessary number of circuits and enclosed in neat black-japanned steel box.

BOILER HOUSES AND MARRIED QUARTERS*Character of Work*

The manner of wiring in these buildings shall be that commonly known as "knob and tube" work, and shall consist of wires supported by split knobs, securely screwed in place, where wires run parallel to joists or studs, and by porcelain floor bushings where wires pass through joists, studs, etc.

All wiring shall be run taut, in straight lines parallel or perpendicular to walls.

There shall be no kinks or slack places in the wire except where necessary to relieve bushings and joints from strain.

To avoid possible strains, provide a knob adjacent to each joint, and at each turn in the wire and adjacent to each outlet. On each knob use a tie of R. C. wire, of same size as line wire, at least 9 inches long, and at the ends of all runs wires shall be drawn to the centre knob.

At all outlets and wherever necessary to protect wiring on account of pipes, plaster, etc., use porcelain tubing extending back to the knob.

Capacity

All wires to be calculated on the basis of an allowance of 50 Watts per lamp. The carrying capacity of all wires to be 25% in excess of maximum load.

Wire

All wires shall be soft drawn copper of 98 per cent conductivity in continuous lengths, without splices, with high grade insulation and close fitting braided covering.

All wires must be of full gauge of sizes specified or required, of approved make.

All wiring in Married Quarters above basement shall be run in partitions, behind plaster, or above plaster ceilings.

Service Switches

Service Switches shall be D. P. knife switches mounted on proper porcelain in block together with cartridge fuzes of the renewable link type. Switch and fuzes to be of capacities to suit connected loads.

All to be enclosed in suitable steel boxes.

Fuze blocks to be standard approved enclosed type for plug fuzes, placed in a convenient location and fitted for the required number of branch circuits.

Lights and Fixtures

Lights in Boiler Houses to be drop lights, hung by reinforced cord to a height of eight feet above floor in the positions shown on plans. To have keyless porcelain sockets, similar and equal to C. G. E. 598 (p. 94 C. G. E. Catalogue) and to be supplied with one-40 Watt lamp to each.

Switches to be single pole rotary switches similar and equal to C. G. E. 60447 (p. 114 C. G. E. Catalogue).

Switches to hall light on first floor to be 3-way located as shewn.

Supply and install in Married Quarters (complete) fixtures as below detailed, each outlet to be supplied with 40 Watt lamp.

Basements.—Drop lights hung by reinforced cord, porcelain sockets.

Ground Floor.—Halls.—Drop light, pendant chain and canopy brush brass shade holder and shade (C. G. E. 441) p. 341 C. G. E. Catalogue.

Basement Stairs.—Drop light as for Basement.

Living Rooms.—Fixtures as C. G. E. No. F. L. 126 (p. 320 C. G. E. Catalogue).

Kitchens.—Light in porcelain ceiling receptacle, shade-holder and 10-inch flat opal shade.

Dining Room.—Fixture as 24/148 C. G. E. Catalogue (p. 317).

First Floor.—Halls.—Drop lights as specified for "Halls" Ground Floor. Bedrooms.—Fixtures as C. G. E. F. L. 121 (p. 320 C. G. E. Catalogue). Bathrooms.—Brackets as C. G. E. 3114 (p. 32 C. G. E. Catalogue).

Switches.—All switches to be S. P. rotary switches similar and equal to C. G. E. 60447 (p. 11 C. G. E. Catalogue).

Motor

Provide separate branch circuit and wire to motor of water supply plant to be set up in basement by others.

Motors will be to suit current (D. C.) with probable rating of one-sixth H. P. at 32 volts.

SPECIFICATIONS—TRAVELLING CRANES

The contractor shall supply and install according to plans, two travelling cranes, one in Explosive Store, Group 5, and one in Explosive Store, Group 7. Lifting capacity of these cranes shall be each one and one-half ($1\frac{1}{2}$) tons, and the contract shall include a complete installation left in perfect working order. Cranes shall be similar and equal in all respects to approval to Type 160, Riley Engineering and Supply Co., Montreal, and shall conform to the following specifications:—

General

The general design of the Cranes as well as the overall dimensions to be as shown on the attached blue print.

End-Trucks

The end-trucks are to be built up of mild steel channels and plates, riveted together in box-frame construction. Each end-truck is to be mounted on two double flanged wheels with steel axles supported at both ends.

Truck Wheels

The truck-wheels are to be double flanged, tread of wheels to be turned or ground accurately to size. The gears for operating the longitudinal travel of the Crane to be MACHINE CUT and attached to truck wheels by making press-fit over hub and secured by finished bolts through arms of wheel and gear.

Crane Girder

The crane girder is to be made of a steel beam of the section required; crane-girder to be attached rigidly and directly to the end-trucks by turned bolts fitting in reamed holes. There shall be suitable stays to provide rigidity in every direction.

Trolley

The trolley to be standard construction four wheeled type fitted with roller bearings and steel side plates.

Hoist

The Hoist to be a High Speed Spur Gear Steel Hoist with totally enclosed gearing and fitted with ball bearing hook rotation and ball bearing to the hoisting spindle. The operating to be accomplished by pocket wheel and HEMP ROPE.

Main Travel

The Main Travel to be communicated to both end-trucks simultaneously by a cross shaft operated by a pocket wheel and hemp rope from below. The cross shaft to be fitted with a MACHINE CUT RAWHIDE PINION at each end meshing with gear wheel of end truck. The cross shaft to be supported in bearings on both end trucks and by brackets along the span.

Factor of Safety

All parts are to be so proportioned that the factor of safety is in no case less than five when the crane is handling its rated load. The factor of safety is to be based on the ultimate strength of the materials employed. The crane to be designed for lifting vertically and conveying loads as specified.

General

After complete shop erection, the crane is to be serviceably painted with non-lead paint and the bright parts coated with rust-preventing compound. The bridge girders and end trucks to be matched-marked before shipment to ensure proper erection at the site of installation.

CONSTRUCTION OF NARROW GAUGE RAILWAY

Work to be done

The work to be done consists in the construction of a single track narrow gauge (36 inches) railway between the end of the wharf and the magazines, with side tracks, switches, and other requisites as shown on plan, and comprises grading, ditching, ties, rails, track laying, ballasting, surfacing, lining, and all the works below subgrade or formation level, and all complete ready for operation.

Clearing

The whole of the ground required for the works to be cleared of all stumps or other obstructions.

Grading

Grading to embrace all excavations and embankments for the formation of the roadbed which shall be 8 ft. in fills and 10 ft. in cuttings. Slopes to be cut through and not steeper than two over three.

Surplus excavations within a distance of 100 feet from nearest traverse to be deposited in the filling of the traverses.

Borrowing

Borrowing when necessary to be where directed by Engineer in charge.

Waste from Cuts

Waste from cuts to be deposited in the traverses as directed.

Catch Water Ditches

Catch water ditches to be made along tops of excavations to prevent water flowing into the cuts.

Tile Drains

Tile drains, 4" diameter shall be laid in cuts where directed below formation and covered with straw, brush and gravel.

Slips

Contractor to remove all materials and make good all slips or slides in cuts and embankments.

Culverts

Contractor to dig for and supply and lay culvert pipes where necessary of sufficient size and as directed.

Ties

Ties to be of sound cedar or other approved timber flatted to 6 inches thick and 6 inch parallel face, 6 feet long to be sound free from wind shakes or other defects which would affect durability. Bark to be removed placed sixteen to a 30 ft. rail with two additional on curves and as directed. Proper sawn switch ties to be provided. On wharf rails to be laid directly on decking.

Track and Track Laying

Contractor to supply all materials necessary, including rails which shall be new 40 lb. rails or good relayable secondhand 56 lb. rails together with angle bars, bolts, spikes, tie plates, nut locks, switches, etc. All above materials to be to approval of Officer in charge, and work of unloading, loading, piling, and handling, laying main tracks, spurs, turn outs, etc.

Rails for curves to be separately curved by approved rail bender.

Guard rails to be placed at frogs, switches and where ordered on sharp curves.

Ballasting

Ballasting to include supply of and loading, hauling, unloading, alongside of track and transportation of all materials acceptable to the Engineer in charge. Ballast to consist of good clean gravel or coarse sand free of soil, approved by Engineer in charge. Ballast to be well tamped and packed and have minimum depth of 9 inches and width of 6 feet and properly trimmed.

Riveting at Traverses

Where track passes through N. E. corner of earth traverse, Group 5, faces of cut shall be riveted with dry stone walling as required to keep toe of traverse at least four (4) feet from centre of track. Face of wall to have a slope of over 3 over 1. Stones to be selected and properly laid to provide sufficient strength to hold up earth in traverse securely. Similar dry stone walling to the extent required shall be built in cut through traverse at South end Group 5.

Completion

The whole of the works included in this contract shall be completed, debris cleared away, and all the buildings ready for occupation within 15 (fifteen) weeks from the date of signing of the contract.

APPENDIX "A"

EARTH TRAVERSES

The Contractor shall submit, with his tender, a separate unit price (by the cubic yard) for the construction of earth traverses at GROUPS 5 and 7. The traverses shall be built up to the heights and of the form shown on drawings. The earth required shall be obtained from borrow-pits established in the immediate vicinity of the buildings. Such borrow-pits shall be located by the Officer in charge of Works and earth shall be taken out only to the extent permitted by him. Any rock, broken stone, etc., available shall be used at base of traverse nearest building. The traverses shall be properly shaped up to the satisfaction of the Officer in charge of Works. Yardage will be determined by measurements of excavations in borrow-pits or by measurement of any loose earth that may be available.

Portions of traverses built of earth obtained from excavation for these buildings and from excavations of cuts for light railway, as previously specified, will be considered as part of main contract and are not to be included in any work that may be carried out under this para.

The Department reserves the right to order any portion of these traverses to be constructed on the basis of the unit price submitted, up to any amount. The lowest or any tender will not necessarily be accepted.

NOTE.—See also para 2. para "Surplus Earth Rock etc."

APPENDIX "B"

NATIONAL DEFENCE

List of Material on site which will be supplied by the Department of National Defence to the Contractor for use as far as is required in the construction of these buildings in accordance with conditions laid down in these specifications under "General Conditions":—

Interlocking Tile, 26,400 pieces, 12,000 sq. ft.; Stock Brick, 50,000; 4" Agricultural Tile, 2,000 ft.; 12" Vitrified Tile, 2,000 ft.; 9" Vitrified Tile, 1,500 ft.; 2" x 8" x 10 ft. and up, Spruce, 6,000 ft. B.M.; 1" x 6" x 10 ft. and up, 10,000 ft. B.M.; 2" x 4" x 12 ft. and up, 2,000 ft. B.M.; 1½" x 4" T. & G. D.I.S., 6,000 ft. B.M.; 7/8" T. & G., 10,000 ft. B.M.; Fibre Conduit for buried Cable, as required.

NOTE: 1½" x 4" T. & G. boarding may be used in place of 7/8" T. & G. boarding specified and shown on drawings.

SESSION 1929
HOUSE OF COMMONS

(SELECT STANDING COMMITTEE

ON

Public Accounts

MINUTES OF PROCEEDINGS AND EVIDENCE

(Orders of Reference and Reports)

No. 3—WEDNESDAY, APRIL 17, 1929

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1929

MEMBERS OF THE COMMITTEE

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Chairman

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Arthurs,	Kaiser,
Beaubien,	Laflamme,
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Bothwell,	Lennox,
Cahan,	Lovie,
Campbell,	Malcolm,
Cannon,	Manion,
Casselman,	McDiarmid,
Coote,	Odette,
Cowan,	Parent,
Donnelly,	Peck,
Dubuc,	Perras,
Duff,	Pouliot,
Edwards (<i>Frontenac-Addington</i>),	Power,
Ernst,	Ross (<i>Kingston City</i>),
Ferland,	Ryckman,
Fraser,	Smith (<i>Cumberland</i>),
Gardiner,	Smith (<i>Stormont</i>),
Girouard,	Smoke,
Gray,	Taylor,
Guerin,	Telford,
Hanson,	Thorson,
Isley,	Tobin,

E. L. MORRIS,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

WEDNESDAY, April 17, 1929.

The Select Standing Committee on Public Accounts met in Room 425 at 11 o'clock a.m., the Chairman, Mr. Jacobs, presiding.

Members present,—Messieurs: Arthurs, Beaubien, Bell (Hamilton), Bettez, Bothwell, Cannon, Casselman, Cowan, Duff, Ernst, Fraser, Girouard, Guerin, Hanson, Ilsley, Jacobs, Kaiser, Laflamme, Lapierre, Lawson, Lovie, Manion, McDiarmid, Parent, Peck, Pouliot, Power, Ross (Kingston City), Ryckman, Smith (Cumberland), Taylor, Telford, Thorson and Tobin—(34).

Mr. G. J. Desbárats, Deputy Minister of National Defence was in attendance; also officials representing Department of Marine and Fisheries.

On opening the meeting Mr. Ilsley, as a question of privilege, read an article from the Halifax Herald in connection with the proceedings of the Committee at the sitting of Wednesday, April 10, when the A. S. MacMillan contract for construction work at Bedford Basin, under the direction of the Department of National Defence, was discussed. (See evidence, page 1).

Considerable discussion followed.

Chairman read telegram sent to Mr. A. S. MacMillan, by instruction of the Committee in connection with his appearance before the Committee; also his reply thereto. (See evidence).

Mr. Duff read letter from Hon. Mr. Chisholm, Leader of the Opposition, Nova Scotia Legislature in connection with the request for Mr. MacMillan, M.P.P., to come to Ottawa as a witness in above named matter. (See evidence). Discussion followed.

The Chairman inquired as to the next business to be taken up at the meeting. Mr. Ernst stated that he would like to discuss the first item on the order paper, namely: A payment of \$88,989.72 to A. S. MacMillan (Halifax)—supplies to Hudson Bay Expedition, as he had looked over that file and was prepared to make some inquiries in regard to it. The contract comes under the Department of Marine and Fisheries.

Objection taken on the ground that as Mr. MacMillan was expected to come before the Committee, following the adjournment of the Nova Scotia Legislature, it should be left and taken up with the other contracts in which he was concerned when he was here personally to answer questions and make explanations.

A long discussion followed with expressions of opinion both for and against the question, following which, Mr. Bell (Hamilton) moved, seconded by Mr. Lawson: That the Committee now proceed to discuss the payment in question.

Motion lost on division—13 yeas, 19 nays. (See list).

Motion by Mr. Ernst that the three contracts under the direction of the Department of Public Works, re payments in connection with Dingwall Breakwater (Aspy Bay), La Have River dredging, and Yarmouth dredging, be dropped and withdrawn from the order paper, agreed to.

In discussing the next date of a meeting of the Committee, Mr. Ernst announced that he would be ready to proceed or to make some announcement with respect to the second, fifth, sixth and seventh items on the order paper, contained in files of the Department of Marine and Fisheries, if the Committee would be convened again on Wednesday, 24th April.

Meeting declared adjourned until Wednesday, April 24, at 11 o'clock a.m.

MINUTES OF EVIDENCE

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

WEDNESDAY, April 17, 1929.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., Mr. Jacobs, the Chairman, presiding.

The CHAIRMAN: Gentlemen, if you will come to order we will open the meeting.

Mr. ILSLEY: Before we proceed, Mr. Chairman, there is a matter of privilege that I want to bring before the Committee.

I have in my hand a copy of the Halifax Herald, of Thursday, April 11, 1929, in which the headline appears: "Probing MacMillan Contract," and the under-headlines are as follows: "Digby Member may be summoned to appear at Ottawa." "Extras on Arsenal Contract Cause Controversy—Telegrams Missing from Federal Department Files."

Ottawa, April 10—Meeting for the first time this session and in fact for the first time in some years the Public Accounts Committee delved first into the circumstances surrounding the payment of \$72,138 to A. S. MacMillan, of Halifax, for construction work at Bedford Basin near that city. G. J. Desbarats, Deputy Minister of National Defence, was called as a witness by W. G. Ernst who is handling the brief of the Conservative party in the Committee. He stated that the contract had been awarded on June 25, 1926, to the lowest of three tenderers. It had been for the building of an explosive magazine and one of its terms had been that the work should be completed within 15 months. The Minister of Defence at the time had been Hon. E. M. Macdonald, of Nova Scotia. Mr. MacMillan may be called to Ottawa.

The Committee renewed its allegiance this morning to the traditions of controversy which used to characterize its deliberations. Disagreements which were heated and only relieved by the fact that they were accompanied by a saving sense of humour, were the means by which a somewhat halting inquiry was prosecuted into the details of the construction of the explosive magazine at Bedford Basin.

Evidence which was given elicited the fact that the contractor, A. S. MacMillan, had charged and been paid for extras, allegedly represented by his losses due to an order from the department to discontinue work while an inquiry was conducted in the construction methods employed. The Conservatives claim that the terms of the contract precluded any extras being charged on such grounds. G. J. Desbarats, Deputy Minister of National Defence, took the stand that the government's contract precluded any claim for damages, but not for extras which were actually incurred.

And this is the part of the despatch to which I would like to call your attention:—

Missing Telegrams.

The Committee got into somewhat of a dilemma over the absence of some telegrams from the departmental files. They related to the order to the contractors halting the work on July 3rd or 4th. Mr. Desbarats could not explain their absence.

"Were they there yesterday," J. F. Pouliot inquired.

"If you are insinuating that I abstracted them, I can assure you that I did not," Mr. Ernst interjected. The file had been given to him yesterday. But, he commented, the department had trusted him so implicitly that it had sent a man to stand over him while he studied it. A suggestion was made that the omission of the telegrams could be remedied by simply having Mr. Desbarats give a continuity of negotiations. The Conservative members however, strongly protested. Mr. Ernst insisting that he wished to have the evidence based on departmental records.

Now, as the Committee will remember no telegrams were missing from the files at all. There was a delay of a few moments in finding two telegrams, but the two telegrams were found by Mr. Desbarats and read to the Committee, and were on the file.

Hon. Mr. MANION: They were not on the file.

Mr. ERNST: On his personal file. Some telegrams were produced from his personal file, and some letters—

Mr. ILSLEY: That is the very point. These telegrams were on the file, and we can settle the matter this morning. The despatch to the Halifax Herald was entirely in error when it stated that there were any telegrams missing from the departmental files.

Hon. Mr. MANION: I recollect that Mr. Desbarats produced some telegrams afterwards that he said had been on his personal file.

Mr. ILSLEY: No, not those telegrams.

Mr. POWER: Mr. Desbarats produced a letter which he said had not been on the file but was on the personal file, but whilst Mr. Desbarats was going through the file afterwards he said, "Now, here are those telegrams." I appeal to the recollection of any member of the Committee as to that. He said, "here are the telegrams." Mr. Ernst, who had gone over the file was under the impression that no such telegrams existed. Those telegrams refer to the stoppage of work in the month of July.

Mr. ERNST: Yes, I think with reference to two telegrams respecting the stoppage of work on July 3rd and 9th you are correct.

Mr. POWER: I am talking about those two particular telegrams. Mr. Ernst stated he had heard that those telegrams were not on the file, that he had been through the file and had not seen them, and later on when Mr. Desbarats was looking through the file for something else he came across these telegrams and read them, and I think Mr. Ernst will bear me out on that.

Mr. ERNST: Yes, I think you are right in that.

Hon. Mr. MANION: What were the telegrams that Mr. Desbarats said were on his personal file?

Mr. POWER: A controversy arose between some of the members of the Committee as to whether or not there had been the stoppage authorized early in July, and Mr. Ernst stated that he could not find any telegrams with reference to the stoppage, and for a time Mr. Desbarats was unable to find them either. Whilst we were discussing some other question, however, Mr. Desbarats said, "Here are the telegrams," and these telegrams which had been asked for were produced. Mr. Desbarats also said, "I have here a letter from my personal file having reference to the stoppage of work in the month of August, or at the end of July." That letter was a letter from the Minister, Hon. Mr. Guthrie.

Hon. Mr. MANION: And a telegram?

Mr. POWER: It was a letter from the Minister, and a telegram from Hon. Mr. Black, the Minister of Railways.

Hon. Mr. MANION: But a telegram also from his personal file?

Mr. POWER: Yes, this telegram from Mr. Black, asking Hon. Mr. Guthrie to stop the work, and also a letter from Hon. Mr. Guthrie to Mr. Desbarats, and, I think, Mr. Desbarats' reply thereto, all having reference to the stoppage of work during the month of August.

The CHAIRMAN: It all appears in the printed report of the proceedings.

Mr. ERNST: I am quite sure that Mr. Power's recollection in that respect is correct. I have no interest in the despatch. The report is there which really corrects the whole proceeding.

Mr. ILSLEY: In answer to Dr. Manion, I want to point out that the only telegrams, the absence of which was mentioned, regarding the stoppage of the work on July 3rd were—Let me read it again:

The Committee got into somewhat of a dilemma over the absence of some telegrams from the departmental files. They related to the order to the contractors halting the work on July 3rd or 4th. Mr. Desbarats could not explain their absence.

And so on. I say that the despatch is entirely in error when it says that these telegrams were missing from the departmental files.

Mr. ERNST: The record is there.

The CHAIRMAN: The whole thing is a tempest in a teapot.

Mr. POWER: The point is, that it is not quite fair that reports should go out to the effect that the department is holding back any portion of the file.

Hon. Mr. MANION: If we took notice of all the reports that are printed in the newspapers we would be busy all the time, both in the House and in Committee.

The CHAIRMAN: What is the next order of business?

Mr. ERNST: Mr. Chairman, I was informed by the Clerk of the Committee, Mr. Morris, that he had received a telegram from Mr. MacMillan, stating that it would be inconvenient for him to come—

Mr. POWER: Let us have the telegram.

Mr. ERNST: I desire to make a statement in respect of it.

The CHAIRMAN: The telegram was sent on the order of the Committee, on April 10th. It is addressed to A. S. MacMillan, and reads as follows:

Public Accounts Committee now discussing your first Bedford Basin contract stop. Your presence asked for by Committee, stop. Next sitting, Wednesday 17th instant, stop. Will it be convenient for you to attend and bring books, accounts and vouchers? Please advise.

I notice, in brackets, the word "collect". I may say that I drafted the telegram myself, and the original is here, but the word "collect" was put on by some person other than myself. However, the answer is also collect, and reads as follows:—

Impossible for me attend Ottawa until Legislature prorogues believe may be able attend around May first, will advise later definite date.

Mr. ERNST: Mr. Chairman, in view of that telegram I wish to ask that the item with which we had been dealing be allowed to stand. There is nothing further that I want to personally take up in connection with Mr. Desbarats.

The CHAIRMAN: You cannot proceed with this item not until Mr. MacMillan is here?

Mr. ERNST: No, as far as I am personally concerned.

SELECT STANDING COMMITTEE

Mr. DUFF: Mr. Chairman, before you decide about this, I may say in reference to the telegram saying Mr. MacMillan cannot come that I have in my hand here a letter from the Hon. Mr. Chisholm, Leader of the Opposition in the local Legislature of Nova Scotia. It reads as follows:

Dear Mr. DUFF:

I write you as a member of the Public Accounts Committee. I am informed Mr. MacMillan advised Ottawa he would be prepared to go before your Committee at any time he would be required, and I told him yesterday he could not leave here until after prorogation. As you know it is impossible to let any of our members be absent just now, particularly when we are within a fortnight of closing up. He knows he is not obliged to attend while the House is in Session, but he would not take advantage of this, in fact he wants to go at once, lest the delay might be misunderstood.

I told him yesterday that he must remain here and to advise them at Ottawa he would be on hand any time required after prorogation, which will likely be within a fortnight.

If the matter comes up in Committee, you might explain the situation.

Yours truly,

(Sgd.) WILLIAM CHISHOLM.

Mr. Chairman, Mr. Ernst has asked that this matter be held over for the present pending Mr. MacMillan's arrival. Now, sir, after the information which we received here last Wednesday with regard to this whole matter, and the evidence which Mr. Desbarats gave us, it seems to me there is not very much necessity for Mr. MacMillan to be here, and I will explain why.

In the evidence which came out last Wednesday it was proved, I think to the satisfaction of every member of the Committee, that tenders had been called for by the department of National Defence, for the work in connection with those magazines at Bedford Basin. Advertisements were inserted in a number of newspapers in the province of Nova Scotia; tenders were received by the department in the usual course, and the department decided to accept the lowest tender, which was that of Mr. MacMillan. Mr. MacMillan was notified, if I remember correctly, on June 28th, that his tender had been accepted. He got that notification, and, I presume, with the concurrence of the officials of the department either here at Ottawa, or at Halifax, he proceeded to get ready to start the work, with the result that he got teams and horses from Antigonish on the ground and arranged for the timber and other materials which were necessary to proceed with the work.

On the third of July, for some reason or other, a telegram was sent to the Minister of National Defence asking him to hold up the work, with the result that Mr. MacMillan had to stop from the third to the eighth or ninth of July. Mr. Black, the senior member for Halifax, I think, was the gentleman who sent the telegram. When the matter had been explained to Mr. Black, however, he communicated with Hon. Mr. Guthrie on the eighth or ninth, with the result that Mr. MacMillan was again requested to go to work. He endeavored to get to work for a few days, and there was a second stoppage, with the result that altogether he was held up from, say the third of July, until, I think, the tenth of August. Altogether, he lost six weeks.

Mr. MacMillan, on account of the delays, which are fully explained, sent in an itemized account, for extras, outside of his tender. The departmental officials went over this account with Mr. MacMillan, at, I presume, the instance of the department, and they recommended that something like ten thousand dollars extra be paid him in addition to his contract under the tender.

It seems to me, sir, that in view of the fact that Mr. MacMillan submitted his extras to the department, and that the departmental engineers at Halifax, who were on the spot, and who were watching Mr. MacMillan and his work, knew exactly the conditions he was up against on account of the stoppage, recommended that this account be paid, and I presume, it was also recommended and approved by the departmental officials here. I presume the Minister approved of it, and I presume the Auditor General approved of it. In view of all those circumstances, and also in view of the fact that Mr. MacMillan is a very busy man, not only with regard to his duties in the legislature, but also because he has a number of contracts, for instance, one contract at the present time with the Halifax Harbour Commission of something like three hundred thousand dollars, it seems to me, as far as this file is concerned, that it is not fair to ask Mr. MacMillan to appear before this Committee. I appeal to the fair minds of this Committee, as business men, men who understand business conditions. Is it fair, as far as this file is concerned, and as far as Mr. MacMillan is concerned, to ask him to come here and appear before the Committee, to prove exactly what we know at the present time.

As far as the items are concerned, Mr. MacMillan is not interested in them. His items have been accepted by the department and they have been paid. He is in the same position exactly as that of any other contractor doing work for a private corporation. He has put in a bill for extras; the extras are agreed on; the cheque is issued, and he receives his money.

I, therefore, say that after what we heard last Wednesday, after having received the full explanation that we did, it would be far better business for the Committee to drop this file and go on to some other one.

Mr. LAWSON: Mr. Chairman, with reference to what has been said by the previous speaker, and as an inexperienced and new member of this Committee, I probably have one advantage and one disadvantage,—the advantage of a fairly open mind, and the disadvantage of inexperience. But I am at a loss to understand the argument put forward by the previous speaker.

If I conceive at all the function of a Public Accounts Committee, it is to look into, where it is deemed advisable, and examine the public expenditures of the country. Now, the other day I was thoroughly convinced of one outstanding point, and that was that by making a rapid calculation I arrived at the following figures, which are approximately correct: that having regard to the number of days which Mr. MacMillan worked on this contract, and the contract price, he would have received according to the contract proper \$625 for each day he worked. Making a similar calculation for the number of days he was delayed, and the amount of the extras which he received, he was paid approximately \$550 for the days he did not work. On that basis it would appear to me that it was more profitable not to work than to work.

It may be that there is a perfectly obvious explanation of that situation. I am not suggesting that there is not. But the only man who can explain to me satisfactorily what may be an obvious explanation is Mr. MacMillan.

Secondly, it occurs to me, sir, that having regard to the functions of this Committee it comes with particularly bad grace from a member of the Government to suggest that someone who is required by this Committee should not be called before this Committee.

Mr. DUFF: I am not a member of the Government.

The CHAIRMAN: He has hopes.

Mr. LAWSON: Well, let me say that it comes with particularly bad grace from a member of the Liberal Party, or one who supports that party, having regard to the fact that they have a majority on this Committee, and having regard to the fact that they are in power in this country, to suggest that this investigation should be cut off.

I am not suggesting that there is anything wrong with this contract. I have no evidence of it, but I at least would like to have the privilege of being satisfied in my own mind, after a thorough investigation, that there was nothing wrong with this contract, and, to my mind, the only way to do so is to bring Mr. MacMillan here. My good friend points out that Mr. MacMillan is a busy man. So am I, and so are many of the members of this Committee. The busiest man in the country owes a duty to the state, and that is to attend before parliamentary bodies when called upon to attend.

The CHAIRMAN: What do you propose to prove by Mr. MacMillan?

Mr. ERNST: I want to make a few observations.

Mr. DUFF: Before Mr. Ernst does that, Mr. Lawson need not apologize for being an inexperienced member of the Committee. I think he is very well posted. He certainly is inexperienced, however, when he starts to figure out that Mr. MacMillan has got \$550 a day for the days he did not work. That is not correct at all. I presume that Mr. Lawson figures that he got all that money for labour entirely. That is not correct. If he will study the file he will see that Mr. MacMillan's account for extras was made up mostly, perhaps entirely, of the higher prices which he had to pay for material due to the stoppages. All that was fully explained. I do not think it is fair. If there is nothing to be gained by bringing him here, then I say we should not bring him. As far as I am concerned, I do not care whether he comes here or not. I am only talking as a member of the Committee. The Liberal party has nothing to do with it. I am here as a member of Parliament representing a constituency in the province of Nova Scotia, the same as Mr. Lawson represents a constituency in the province of Ontario. It is time enough to give us that rap if, for instance, every member of the Committee who is a Liberal, or every Conservative member of the Committee votes in a block. Then it is time to bring in that insinuation. But I think I am within my rights as a member of this Committee when, as a business man, I ask the Committee not to bring Mr. MacMillan here if there is nothing to be gained by so doing. In connection with this particular file, it has been proven conclusively to my mind, that these extras were approved of by the officials of the department who were on the spot, and by the Deputy Minister, and all down the department. I do not see that Mr. MacMillan is interested in this at all. As I say, in my opinion, this matter was fully explained the other day. There can be no criticism of Mr. MacMillan as far as this file is concerned, and, unless there is good ground for it, the whole matter should be dropped.

Mr. ARTHURS: There is one point that has been overlooked, that is that these stoppages were not as great as they apparently appear to be on the surface. The gentleman who made this contract made it on the twenty-first day of July. In the agreement signed by him on the twenty-first day of July he agreed to finish in fifteen weeks. He had every chance to make his arrangements accordingly, and he could have extended the time a week or two more, to take care of any damage that might have been done by the first stoppage so called.

Mr. ILSLEY: I do not know that we need prolong the discussion very much. I have listened very intently to what Mr. Lawson has had to say, but I think that when Mr. MacMillan is quite willing to come—in fact, I think he wants to come—it is only fair to him, in my opinion, to ask him to come, and give him a chance to give his testimony before the Committee. I think the insinuation of my friend to the right here, that we are making a party matter of this, is quite unjustifiable. I am a Liberal member of this Committee as well as Mr. Duff, but I certainly would be in favour of giving Mr. MacMillan an opportunity to come and answer what there is to answer. So far as I can see, no prima facie case has been made out. I am free to say that nothing in the whole evidence

would raise any *prima facie* case against an excessive payment for extras. On the contrary, I think the blame, if there is blame in this thing, is on the part of the Minister who stopped the work in the summer of 1926 and caused the country a large loss resulting from the stoppage of the work. However, it seems that probably the best way out of it is to have Mr. MacMillan come here and give his evidence before the Committee. I do think, however, that it would be only fair that Mr. MacMillan should be present when files are taken up which involve him in charges against him.

Mr. ERNST: He was represented by counsel here the other day.

Mr. ILSLEY: He should be here in person. He knows the details of these things, and I think that before any files are taken up that deal with matters that pertain to Mr. MacMillan he should be here.

Mr. POWER: I am inclined to agree with Mr. Ilsley, but I want to resent the statements of Mr. Lawson and Mr. Duff, both of them. I have been insulted twice, once as a Liberal and once as a lawyer.

I am inclined to agree, however, that we should have Mr. MacMillan here. Not only should we have Mr. MacMillan here but I for one want to examine Mr. Dumaresq, the gentleman who protested against this work going on. I want to know what public interest he had, or what influence he had with the government of the day to prevent a contract which had been awarded legally and properly from being carried out. I want him to come here and tell us why he did that. And I want to know what business one Piercy, a local member of Parliament, had to interfere in this thing. I want him to come too, and I propose, before this investigation is over, to ask the Clerk to subpoena both of those gentlemen, so that we may have all the facts fully exposed to the public, and so that we will know just where we are at.

Mr. LAWSON: It was not my intention to make any insinuations, and if any such insinuation could be taken from my remarks I regret it.

Mr. ERNST: Mr. Chairman, with regard to the remarks of Mr. Duff, I am at a loss to understand his change of attitude since the last meeting, because almost the last words said in the Committee were uttered by Mr. Duff, and he was quite enthusiastic then to have Mr. MacMillan appear before the Committee.

Mr. DUFF: I have given it consideration since then, that is all.

Mr. ERNST: With reference to the suggestion of Mr. Power, I have no observations to make. If he wants any additional persons brought here far be it from me to stand in the way. I might say, for the enlightenment of the Committee, that Mr. Dumaresq is probably the most prominent architect in the province of Nova Scotia and Mr. Piercy is the head of the largest firm in the province.

Mr. DUFF: And Mr. MacMillan is the largest contractor.

Mr. ERNST: With the Government. Now, Mr. Chairman, for the very reason that Mr. Ilsley has stated as to why Mr. MacMillan should not appear, I do not think it is quite fair to Mr. MacMillan for me to make statements concerning the extras before he has given evidence. I might draw wrong conclusions. He has been paid roughly \$11,000 in extras, page 23 of the printed report of the proceedings of the Committee—

Mr. ILSLEY: My learned friend has said that he did not think it fair for him to make a statement concerning the extras before Mr. MacMillan has given his evidence, and that is just what he is doing.

Mr. ERNST: I do not intend to comment further. That is one case. I think it is the intention of this Committee to have the person who is best qualified to give evidence as to those extras to come here. As to the contention of Mr. Duff, that they were passed by the governmental officials, I do not think that

it gives them *carte blanche*. For instance, it goes through the Auditor General's Report, and it does not necessarily mean that it would be barred from investigation because of the fact that it is o.k'd by some official of the department.

The CHAIRMAN: Is it the desire of the Committee that the matter be held up until Mr. MacMillan comes, that is this particular item?

Motion agreed to.

The CHAIRMAN: What else is there before the Committee?

Mr. ERNST: I was desirous, Mr. Chairman, with the consent of the Committee, to proceed with the first item on the order paper, "Department of Marine and Fisheries—respecting a payment of \$88,989.72 to A. S. MacMillan, Halifax—supplies to Hudson Bay expedition. Page O-27, Vol. 2, Auditor General's Report, 1928."

The CHAIRMAN: Mr. Desbarats would like to make a statement with regard to something which appears at page 8 of the printed report.

Mr. DESBARATS: In my evidence there, on page 8, Mr. Ernst asked if there was any delay in the final signing of the contract. I said, "No." While the evidence following would show that that was wrong, I want to correct that, because the main hold-up was after that date. There was a hold-up of a fortnight. I think some of the dates in this evidence are rather confused.

The CHAIRMAN: I think it is essential that the dates should be correct, and I think Mr. Desbarats should go through them and have them corrected at the next meeting. What is the next order of business? Mr. Ernst, have you anything to bring before the Committee?

Mr. McDIARMID: I would like to point out that there is an apparent mistake made on page 14, towards the bottom of the page. That is the report of the two gentlemen who were down there reporting for the department. It reads:—

The Hon. W. A. Black thanked the department's representatives for the information given, regretted the necessity of the journey to Halifax, and stated he would wire the Hon. the Minister of National Defence to that effect. He further stated that it would be desirable in the interests of all concerned...

There is something missing there.

Mr. ERNST: It should read, "if an inspector could be appointed".

Mr. McDIARMID: I would like to ask if it is not the custom of the Department to appoint an inspector?

Mr. ERNST: Oh, yes, certainly.

Mr. McDIARMID: So this recommendation was apparently unnecessary?

Mr. ERNST: Yes.

Mr. POWER: It may be that they requested another inspector, in view of the fact that Mr. MacMillan was a Liberal.

The CHAIRMAN: He was worth watching. Next business.

Mr. ERNST: As I stated, Mr. Chairman, I would like to proceed with the first item on the order paper.

Mr. POWER: I would suggest that the same objection that was taken by Mr. Ilsley should be taken here. This is respecting a payment of \$88,000 to Mr. MacMillan. Mr. MacMillan is not here. He cannot be here. Why open the file, start to work, and then have to postpone it until such time as Mr. MacMillan is able to appear. I do not see any reason for starting something that we cannot finish. Let us take something that we can go on with. It seems to me to be elementary, and I do not know just what accusations will be made against Mr. MacMillan in this.

Mr. ERNST: It is not my intention to make any accusations against Mr. MacMillan. I think it is in order, to start the matter—the departmental officials have produced the file—give us the record, and give us the history. If we are going to adopt the principle that we cannot proceed because the man who has received monies from the government cannot be present—

Mr. POWER: We have just postponed the consideration of one of those many cases because we cannot get Mr. MacMillan here. Why not follow the same procedure in the next case?

Mr. ERNST: The situation is this, that this item will take a good deal longer for preliminary investigation than did the previous one, and I feel quite sure it will not be concluded this morning. I am informed also that the local House will probably rise within the next week, and I doubt if we will be able to conclude the first item before Mr. MacMillan will be ready to appear according to his telegram. He suggested the first of May.

Mr. ILSLEY: May I ask my learned friend why he does not go on with this second Defence file. Mr. Desbarats is here, and that was the announced intention the other day.

Mr. ERNST: I did not announce any such intention.

Mr. ILSLEY: That is what I understood from my learned friend the other day, and I see no reason why that should not be departed from. I am opposed to taking up those files unless Mr. MacMillan is going to be here.

Mr. BELL (Hamilton): I did not have the good fortune to be present at the present at the last meeting, but I understand that the course followed was first of all to acquaint the members of the Committee with the terms of the contract or the arrangements under which the work in question was done, and that, following that, some criticism arose as to what had occurred in connection with it.

I am entirely in accord with Mr. Ilesley and with Mr. Power when they suggest that we should not get to the stage where we may feel called upon to criticize until the man who is going to be criticized is able to be here. I think that that is only fair. But I do suggest that it is of the very highest value to proceed this morning with this first matter that is on the agenda, for this good reason: the proceedings are being printed. When the printed transcript of what has taken place before the Committee comes to hand, every member of this Committee will have in his hand a document which will enable him to see what it is all about. You will be in a position to see what the contract is if there should be a contract, what the terms and conditions of it are, and in that way be able to familiarize himself with it. It must be perfectly obvious to everyone that when there is one file one man has access to it and one only; that is the only way that it is practical to deal with it. We are all here in more or less ignorance of what it is we have to consider, and, as I say, I think it would be of the highest value to this Committee that this first item on the order paper should be proceeded with, so that every member of the Committee will be able to familiarize himself with it.

Mr. DUFF: If we adopt that as a principle, if we follow the agenda, then we are dealing with matters in which Mr. MacMillan is interested. If I understood Mr. Bell, he said, we ought to take up this because it was first on the agenda. My idea is this, that it does not make any difference how it appears on the agenda. Let us keep all of Mr. MacMillan's contracts together. Let us take one department first and then go to another.

Mr. BELL (Hamilton): I did not say that they should be followed in any particular order.

Mr. DUFF: I suggest that we go on with the National Defence Department, because Mr. Desbarats is here with his file.

Mr. ERNST: I might say to my hon. friend that it takes considerable time to digest even a small portion of those files, and I have not succeeded personally in digesting the file relating to the item of one hundred thousand dollars for magazine construction at Bedford Basin. I have had access to the file, it is true, but I have not yet had time to digest it.

Mr. POWER: How long has the file been here?

Mr. ERNST: It is brought up from the department of National Defence. The department of National Defence has a different policy in that respect from the other departments. It keeps its files at its own office and brings them up here.

Mr. POWER: Has that been requested?

✓ Mr. ERNST: Yes.

Mr. POWER: And has that request been acceded to?

Mr. ERNST: Yes.

Mr. POWER: As often as you wished.

Mr. ERNST: As often as I have asked, but I have not had time. Each one of these things was detailed on my motion, and I have not had the opportunity to digest the second item relating to the payment of one hundred thousand dollars, and I am not prepared at this moment to go on with it.

Mr. ILSLEY: We can digest it as we go along.

Mr. ERNST: I am asking the Committee to go on with the first item.

Mr. POWER: I personally do not think that we should go on with any of Mr. MacMillan's items.

The CHAIRMAN: According to the rule, it is usual to have the party who is interested present before the Committee when the items in which he is interested are under discussion; and in as much as Mr. MacMillan will be here within the next couple of weeks, and as we have so many other items with which we can proceed, why not let that stand?

Mr. BELL: That objection relates to every item which Mr. Power objects to go on with, or Mr. Ilsley.

Mr. ILSLEY: Go on with the alternative.

Mr. BELL: In that case, I can go on with the next. I do not think it has been the custom in the past to summon a person unless it is necessary to go to the expense.

Mr. POWER: When Mr. MacMillan is coming, as he has expressed his willingness to come, why not let it stand. In all the other cases, it is more than likely we may not have to summon the person from whom purchases were made.

Mr. BELL: Once we have considered the first item it may be plain and understandable, and as far as I am concerned, if that covers the situation, I do not want to ask Mr. MacMillan a question about it. All I ask is that we go so far as to find out whether it calls for any explanation from Mr. MacMillan.

Mr. ILSLEY: When he is to be here?

Mr. ERNST: Let us assume that Mr. MacMillan was in Honolulu—I am only using his name by way of illustration—it is not any particular person who is before us; we are investigating the public accounts.

The CHAIRMAN: Mr. MacMillan is in a class by himself, he is a member of the legislature, and is not bound to come. But he has expressed his willingness to come and will be here in a couple of weeks; and as we have a number of other items, I am suggesting that we proceed with some of them.

Mr. ERNST: Mr. MacMillan is not charged with anything.

Mr. POWER: If for no other reason, it should be delayed until he is here, as a matter of courtesy to Mr. MacMillan.

Mr. ERNST: Mr. Duff has complained that Mr. MacMillan is a very busy man.

Mr. DUFF: No, I do not complain. I was congratulating him.

Mr. ERNST: It is a subject of congratulation. If we are going into all these items with him, it will keep him for a considerable period. As far as I can see, it only affects the department; it does not affect Mr. MacMillan unless imputations are made against him. He has received certain moneys we assume, properly. Then we want to investigate that, and if there is any reason why he should be accused, then he should be heard.

The CHAIRMAN: When his contract is being discussed, it seems to me it is only the part of courtesy to have him here. That is the rule we adopt in all the courts. You are not obliged to go on with the case unless the party accused is present.

Mr. ERNST: Not in a civil case.

Mr. BELL: My suggestion was that we should deliberately abstain from criticizing any portion of the material contained in that first item. Fairness to Mr. MacMillan would demand that. My suggestion was that we should deliberately leave any criticism of it aside for the time being, as we might never be called upon to criticize it. My suggestion was that we should have the contract, or whatever the arrangement is, read into the printed record and be in a position to consider it intelligently when Mr. MacMillan is here. My understanding of the proper thing to do is that we should take no step whatever in the way of criticizing Mr. MacMillan when he is not here, but in any case we should have in our hands the records.

The CHAIRMAN: You have the material in your hands.

Hon. Mr. MANION: As a member of this Committee I do not know anything about Mr. MacMillan. I did not know the other day what was coming up, and I did not know to-day what was coming up. We cannot all study the file. All we should have to-day is a preliminary statement by the Deputy Minister. No charge is to be made. Mr. MacMillan himself will have the advantage of having in printed form a statement of the whole case. There may be some mistakes in the questions, or in the figures, or in the answers, and Mr. MacMillan will have the advantage of having everything before him. There may not be anything to answer. I think it is the most reasonable thing. In addition to being a member of this Committee, I am also a member of the Banking and Commerce Committee. This Committee has met here, and I would like to go on with some business. Nobody else is ready, apparently, to go on with any other incident than the one into which Mr. Ernst has dug in.

Hon. Mr. DUFF: I am ready to go on with any case, the Department of Public Works, or Marine and Fisheries.

Mr. ERNST: I believe Mr. Norman Guthrie is in this room representing Mr. MacMillan, is he not?

Mr. GUTHRIE: I am not appearing on his behalf, I am simply here, and my instructions were that during the session of the Legislature it was not convenient for Mr. MacMillan to come, but he will be very glad to come afterwards, if there was any reason why he should come.

Mr. ERNST: And we hope there will not be.

Mr. GUTHRIE: That is the reason I cannot say that I appear for him.

Mr. DUFF: It does not seem fair to go on with anything in Mr. MacMillan's case when he is not here. When this Committee opened this morning, Mr.

Ilsley read a report from a newspaper published in Nova Scotia. The public in Canada reading that newspaper might have come to the conclusion that Mr. MacMillan had got that Ten Thousand Dollars extra when he was not entitled to it. Now the same thing is likely to happen if we go on with any other file in which Mr. MacMillan is interested. Mr. MacMillan says the actual facts will appear on the file; at the same time, there is no chance for Mr. MacMillan to refute any statement that may be made or anything that is on the file, unless he is here. I think he should be here so that he can refute anything which he desires; so that the statement and the refutation will appear at the same time.

Mr. BELL: I do not know that there will be anything to refute. At any rate, to bring it to a head, I move that the Committee now proceed with the first order of business on the Agenda for to-day.

Mr. LAWSON: I second the motion.

The CHAIRMAN: I am in the hands of the Committee.

Mr. RYCKMAN: If I am in order, may I say that I think we are wasting a lot of time, and I appeal to you with your knowledge in matters of this kind. This bears a similarity to an investigation by a Grand Jury. There may be no Bill at all. We want to find out the facts. Mr. MacMillan is not entitled to be here when we are seeking to find out the facts whether there is any case against him or not. When it does come to the trial of a case, of course he must be here. We must inform ourselves and make up our minds whether we want to have him here at all or not.

Mr. POWER: And in the case of a Grand Jury the investigation is in private, with no newspaper reporters present.

Mr. DUFF: I am willing to leave it to the Chairman's decision. On the motion, I appeal to Mr. Bell and Mr. Ernst if it would not be an act of courtesy to Mr. MacMillan to wait until such time as he is here before taking up files in which he is interested. I think that is but ordinary courtesy.

We are quite sure, no matter what evidence is given, that the case, as we got it on the last occasion, was fairly clear so far as Mr. MacMillan was concerned, but there were certain things which had to be cleared up, and it is almost certain that Mr. MacMillan will have to be called in connection with files in which his name is mentioned. I do ask my learned friends to act in this case as they would in any ordinary case when they are asked to postpone the consideration of the case until such time as the person most interested, or one of the persons most interested, can be present.

There are at least ten files here ready. I am informed that those files have been deposited with the clerk for well over a week,—a week or ten days. They could have been studied and no doubt have been studied by Mr. Ernst and his friends, and I do not see why we could not proceed with them. It is quite likely it will not be necessary to send for the witnesses, contractors, or others, in those cases. If it is necessary, we can send for them. But here we have it well established that Mr. MacMillan is coming and I appeal to my friends, why not wait for him?

Mr. ERNST: As I stated before, the functions of this Committee, as I apprehend them, are not to investigate Mr. MacMillan, but to investigate the Public Accounts of Canada; and the mere fact that Mr. MacMillan received money gives him no more interest than that of any other individual.

Mr. POWER: You said that there were no charges against Mr. MacMillan, and yet at the same time you wanted him here.

Mr. ERNST: Yes, to investigate.

Mr. POWER: Well, Mr. Ernst tells us now that he is prepared to proceed with this file, and that he does not want Mr. MacMillan.

Mr. ERNST: I am prepared to proceed with the first item on the order paper, and at present we do not require Mr. MacMillan. They are all in the same category, Wm. Robertson & Sons, or Cragg Bros.

Mr. POWER: We have nothing to say that they ever will be wanted. But we have here the assurance that Mr. MacMillan will be here.

Mr. ERNST: Some of them are members of a local Legislature.

Mr. BELL: I have a motion before the Committee which has been seconded. Will the Chairman please put it to the Committee?

(The motion being put to the Committee was declared lost.)

Mr. BELL: Mr. Chairman, I would like to have the names called and tabulated.

(The Yeas and Nays being taken, the motion was declared lost on the following vote: Yeas, 13; Nays, 19.)

Hon. Mr. MANION: I would like to ask as a matter of information, are not all the members here compelled to vote, as we are in the House of Commons?

The CHAIRMAN: In what way do you mean?

Hon. Mr. MANION: Are the members present in the Committee not required to vote, under the rule as in the House of Commons?

Mr. POWER: I think they are not. It is different from in the House.

The CHAIRMAN: I have no information on that, Mr. Manion.

Mr. POULIOT: Before we proceed with something else, at the last sittings, I would refer to a statement by the Hon. W. A. Black, page 14 of the evidence, where the following appears:

The Hon. W. A. Black then asked Mr. Dumaresq if he was satisfied with the explanations given by the Department's Representatives. Mr. Dumaresq replied in the affirmative and stated that he had been originally misinformed on the whole matter.

The Hon. Mr. Black thanked the Department's Representative for the information given, regretted the necessity of the journey to Halifax, and stated he would wire the Hon. the Minister of National Defence to that effect. He further stated that it would be desirable in the interests of all concerned

and then some words appear to be missing, I think, and it goes on:—

could be appointed during the construction to see that the specifications were fulfilled.

Mr. POULIOT: To whom does that refer?

Mr. ERNST: The public, of course. Who else?

I think the answer does not satisfy the minds of the members of the Committee, and it is a serious question, when Mr. Black was acting on behalf of all those concerned. The people concerned were the Department and the Contractors, regarding the contract.

I think it would be desirable to invite the Hon. Mr. Black to the Committee to ask him to give us some information on what he meant by that, because all those matters have been handled in Halifax by Mr. Black who was the Minister of National Defence at that time; and I think those gentlemen might enlighten the Committee with explanations which will satisfy members of the Committee as to what happened at that time. I think an invitation should be sent to them as we cannot summon them, but I think we should invite them.

The CHAIRMAN: What could Mr. Black say other than what he did say? He expressed regret and said he was sorry that this incident had occurred. You do not think he will say something of a different character now?

Mr. POULIOT: He might say who he meant by speaking of "All Concerned." It is very important, I think.

An Hon. MEMBER: Do you feel implicated?

The CHAIRMAN: You know, as a lawyer, Mr. Pouliot, that when you get a satisfactory answer from a witness if you press him you may get something you do not expect.

Hon. Mr. MANION: As a matter of information, do I draw the conclusion that the principle is established in this Committee that in the future we shall not go on with the investigation of any public account in this Committee before the person concerned is here?

Mr. POWER: I was one of those opposed to this motion, and I thought I made myself quite clear, and I want to make it clear so that it will not be misunderstood. Mr. MacMillan, in this particular instance, has agreed to come before this Committee. There are three items which relate to him. I thought as a matter of convenience, and as a matter of courtesy, that we should wait until Mr. MacMillan was here, in order to proceed with the files in which his name was mentioned. And it is for that reason, and not because I think there is a principle involved, to the effect that we should not proceed with the file unless all the persons whose names are mentioned thereon are present. No one has ever gone that far. I think we have a perfect right to investigate all the public accounts of Canada, no matter who is present, and Mr. MacMillan is in no different position from any other, except that he is coming anyway.

The CHAIRMAN: Except that he is a member of the Legislature and cannot be subpoenaed.

Hon. Mr. MANION: But there is this to be remembered: we have been talking a great deal about courtesies to Mr. MacMillan. There is also a little courtesy due to this Committee. No doubt, Mr. MacMillan can be paired?

The CHAIRMAN: It is within his right not to come.

Hon. Mr. MANION: Yes, but he says he wants to come.

Mr. ERNST: And it is our right to go on.

Mr. DUFF: All pairs were cancelled last week.

Mr. ERNST: That was cancelled the next day.

Mr. DUFF: Mr. Stanfield's pair was not cancelled. All other pairs were cancelled, and his pair will be cancelled as soon as he returns to the House.

Mr. POULIOT: To come back to what I said a minute ago, the point is this: Mr. Black was a Minister of the Crown and he was supposed to be acting in the public interest when he had the contract stopped, and he was also supposed to be acting in the public interest when he had the same contract resumed. This is something that seems very strange to me, and I think it would be proper to invite Mr. Black to appear before the Committee to enlighten us on that very matter. I do not think that he would decline that invitation; indeed, I think he will be pleased to accept it.

The CHAIRMAN: Do you want us to invite Hon. Mr. Black?

Mr. POULIOT: Yes, and Hon. Mr. Guthrie too. He was the Minister of National Defence at that time. Both of them could give explanations on the matter, to satisfy our minds.

The CHAIRMAN: Do you move that those two former Ministers be invited to attend?

Mr. POULIOT: Yes, and I think I am supported by Mr. McDiarmid.

The CHAIRMAN: Is that your wish, gentlemen?

Mr. LAWSON: I would like to move an amendment that they attend when Mr. MacMillan is here.

Mr. POWER: Yes, I agree with you.

Hon. Mr. MANION: They will have no objection to that.

The CHAIRMAN: That is to say, when Mr. MacMillan is here, both of those gentlemen be invited to be present.

Mr. POULIOT: Providing that they do not have to answer at the same time.

Hon. Mr. MANION: It should also be provided that the whole Committee do not speak at the same time.

The CHAIRMAN: If that is the view of the Committee, it shall be done. What is there now?

Mr. BELL (*Hamilton*): Nothing, now that organized obstruction has prevailed.

Mr. POWER: I resent that.

The CHAIRMAN: I do not think that that is quite fair, Mr. Ernst.

Mr. ERNST: I did not say that, Mr. Chairman.

Mr. BELL (*Hamilton*): I did.

Mr. ERNST: I would like to ask, Mr. Chairman, that we meet again next Wednesday, and Mr. MacMillan be again invited, as an act of courtesy, to attend before the Committee then.

Mr. POWER: I do not see why we should adjourn. I think we have plenty of business, and we should go on with it.

The CHAIRMAN: Is there anything to bring before the Chair?

Mr. POWER: I have nothing special. Has Mr. Ernst not got anything more to bring up?

Mr. ERNST: Not at this stage.

Mr. POWER: Then I move that we take up the department of Public Works.

Mr. ERNST: You have not got your Deputy here.

Hon. Mr. MANION: I think it might well be taken up, but we should have the witnesses here.

Mr. POWER: If we have not got any witnesses, I am afraid we cannot take it up.

Mr. ERNST: I can announce that in so far as the three items relating to the department of Public Works are concerned, I have no further desire to proceed with them.

The CHAIRMAN: Are you withdrawing them?

Mr. ERNST: I have no further desire to proceed with them, and I would ask the permission of the Committee to withdraw them.

The CHAIRMAN: What items are those?

Mr. ERNST: The last three on the order paper.

Mr. POULIOT: I do not know that that withdrawal is in the interest of all concerned.

Mr. ERNST: I am simply moving that they be removed from the order paper.

Mr. POWER: The Crown Prosecutor has issued an nolle pros.

Mr. DUFF: Before adjourning, we ought to decide what order of business we are going to take up at the next meeting, and that will give you, sir, or the Clerk, an opportunity to summon anyone here who is interested. We cannot get Mr. Cragg here, or Mr. Isnor.

The CHAIRMAN: Are they all members of the Nova Scotia Legislature?

Mr. McDIARMID: They may have been elected since.

Mr. DUFF: There are some contractors on both sides. I do not think we should take up any file unless the person interested is here, and, for that reason, if we are going to adjourn now, we will have to summon any one who is interested in some of these items. There is one, for instance, respecting a payment of \$13,000 to William Robertson and Son, Halifax, and another to Austen Brothers; and then there is one to Cunard and Company, Halifax, and Hillis and Sons. I was hoping that Mr. Ernst would not drop the Public Works ones.

Mr. ERNST: Are you interested?

Mr. DUFF: I am in a way, yes.

Mr. ROSS (Kingston): Mr. Chairman, I think you have mentioned everybody now but the District Engineer, and I know that he would like a trip up here. I do not think you will get very far without having him here in the MacMillan case.

The CHAIRMAN: That is Colonel Benoit?

Mr. ROSS (Kingston): I am not interested one way or the other.

The CHAIRMAN: He will only come when Mr. MacMillan is here.

Mr. ROSS (Kingston): That is what I mean.

The CHAIRMAN: Which will be in the course of a couple of weeks. What will we proceed with next Wednesday assuming that Mr. MacMillan will not be here? There is not much use calling the Committee together if we have nothing to go on with?

Mr. POWER: Cannot we proceed to-day? Cannot we proceed with some of those cases?

The CHAIRMAN: We are in the hands of Mr. Ernst.

Mr. POWER: Cannot you proceed with some of the items of department of Marine and Fisheries files?

Mr. ERNST: I have not examined the files. It is possible they may not be proceeded with at all.

Mr. DUFF: What about the ones I mentioned, Roberston and Hillis?

Mr. ERNST: I have not examined the files.

Mr. POWER: I move that we proceed with the file of someone who is not a member of Parliament, whoever that may be.

Mr. ERNST: If we adjourn until next Wednesday, I will be ready to proceed or to make some announcement with respect to the second, fifth, sixth and seventh items. One of those four will be ready to proceed with.

The CHAIRMAN: Mr. Ernst, as I understand it, you will provide us with some business next Wednesday?

Mr. ERNST: Yes, provided the Committee does not raise some principle that those people have to be present.

Mr. POULIOT: That is the ordinary course of evidence.

Mr. ERNST: I will be able to go on with one of those I have mentioned.

Mr. POWER: Will Mr. Ernst give us any information of the witnesses he will require for those cases?

Mr. ERNST: I have not seen the files.

Mr. POWER: You will require the Deputy Minister, will you not?

Mr. ERNST: The responsible official of the department of Marine and Fisheries will be here.

The CHAIRMAN: We have some representatives of the Marine Department here.

Mr. ERNST: Yes, I know. That is with relation to the first one.

The CHAIRMAN: Well, then, if there is no further business the Committee will adjourn.

Mr. DUFF: Had you not better take these in the order in which they appear on the order paper?

Mr. ERNST: I will proceed with one of the four.

Mr. DUFF: I think some of these gentlemen should be here.

Mr. ERNST: It might be absolutely unnecessary to summons them after I have seen the files.

The CHAIRMAN: Do I understand that you move that these three items respecting the Public Works Department be withdrawn?

Mr. ERNST: That may be stricken from the order paper, yes.

The CHAIRMAN: Any further business, gentlemen? If not, I will declare the meeting adjourned until Wednesday, the 24th.

The Committee adjourned till Wednesday, the 24th day of April, 1929, at 11 a.m.

Session, Public Accounts, Select Standing Committee on, 1929
SESSION 1929

HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

Public Accounts

MINUTES OF PROCEEDINGS AND EVIDENCE

(Orders of Reference and Reports)

No. 4—WEDNESDAY, APRIL 24, 1929

WITNESSES:

Mr. E. Hawken, Assistant Deputy Minister.

Major N. B. McLean, Assistant Chief Engineer, River St. Lawrence Ship Canal Channel; formerly Chairman of the Hudson Bay Expedition.

Mr. Geo. H. Flood, Purchasing Agent; all of the Department of Marine and Fisheries.

OTTAWA
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1929

MEMBERS OF THE COMMITTEE

S. W. JACOBS, Esq.,

Chairman

Messieurs:

Adshead,
Arthurs,
Beaubien,
Bell (*Hamilton West*),
Bettez,
Bothwell,
Cahan,
Campbell,
Cannon,
Casselmann,
Coote,
Cowan,
Donnelly,
Dubuc,
Duff,
Ernst,
Ferland,
Fraser,
Gardiner,
Girouard,
Gray,
Guerin,
Hanson,
Hsley,
Jacobs,

Kaiser,
Laflamme,
Lapierre,
Lawson,
Lennox,
Lovie,
Malcolm,
Manion,
McDiarmid,
Odette,
Parent,
Peck,
Perras,
Pouliot,
Power,
Ross (*Kingston City*),
Ryckman,
Smith (*Cumberland*),
Smith (*Stormont*),
Smoke,
Taylor,
Telford,
Thorson,
Tobin,

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

WEDNESDAY, April 24, 1929.

In accordance with notice issued the Committee convened at 11 o'clock a.m. this day, the Chairman, Mr. Jacobs, presiding.

Members of the Committee present: Messieurs Arthurs, Beaubien, Bell (Hamilton West), Bettez, Bothwell, Cannon, Casselman, Cowan, Dubuc, Duff, Ernst, Fraser, Gray, Ilsley, Jacobs, Laflamme, Lapierre, Lawson, Lovie, Manion, McDiarmid, Parent, Peck, Pouliot, Power, Ross (Kingston City), Ryckman, Smoke, Taylor, Telford and Thornton.—32.

In attendance: Mr. E. Hawken, Assistant Deputy Minister; Major N. B. McLean, Assistant Chief Engineer, River St. Lawrence Ship Channel, formerly Chairman of the Hudson Bay expedition; Mr. Geo. H. Flood, Purchasing Agent, and other officials, all of the Department of Marine and Fisheries.

The Chairman called the meeting to order at 11.10.

Mr. Bell (Hamilton West) stated that before the business of the meeting commenced, in connection with the items contained in files of the Department of Marine and Fisheries, he wished to submit two motions.

As the motions in question involved matters contained in the Reports of the Auditor General for previous years, considerable discussion arose as to the propriety of dealing with said matters in view of the fact that such were not contained in the present order of reference.

After discussion, it was decided by the Committee, that the Chairman present a recommendation to the House that the Auditor General's Report for the fiscal year ending March 31, 1927, be referred to the said Committee.

The examination of witnesses in connection with files of Department of Marine and Fisheries was proceeded with.

Mr. Flood, purchasing agent for the Department called and sworn.

Examination by Mr. Ernst in connection with a payment of \$13,038.50 to S. Cunard & Company, Halifax, for coal supplied to Hudson Bay expedition. Questions by other members of Committee.

Witness retired.

Mr. Hawken, Deputy Minister, called and sworn, Mr. Ernst continuing examination, with numerous questions by other members of the Committee. Witness retired.

Major McLean, formerly Chairman of the Hudson Bay expedition, called and sworn. Examined by Mr. Ernst and Committee generally.

Witness retired.

Mr. Ross (Kingston City) asked to have some details, in regard to certain votes and certain parts of votes in his constituency, which he would read in detail and move to have such supplied by the Departments concerned. Motion agreed to—see items detailed in evidence—subject to the condition that it would be possible for the Departments concerned to furnish such information in the detail desired.

The Committee adjourned to meet again on Wednesday, May 1st, at 11 o'clock a.m.

E. L. MORRIS,

Clerk of the Committee.

MINUTES OF EVIDENCE

COMMITTEE ROOM No. 425

HOUSE OF COMMONS,
WEDNESDAY, April 24, 1929.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., Mr. Jacobs, the Chairman, presiding.

The CHAIRMAN: Gentlemen, if you will come to order we will declare the meeting open. What is the first item of business?

Mr. BELL (*Hamilton*): Mr. Chairman, before you proceed with the regular business of the day I have a couple of motions that I would like to make. I desire to move for the production of all books, letters, papers, accounts, vouchers, documents, memoranda, writings or data relating to payments to Dessault and Company, Mr. Latourneau (whether directly or indirectly), J. R. and J. E. Boulanger, St. John Dry Dock and Steamship Company, L. Lemieux, Hammerwill Paper Company, and any other person or persons, corporation or corporations for work done in connection with dredging or construction work at Matane, as set out at page V—134, Report of the Auditor General for 1924; page V—102, Report of the Auditor General for 1925; page V—77, Report of the Auditor General for 1926. I am moving that seconded by Mr. Fraser of Cariboo.

The CHAIRMAN: Is that your pleasure, gentlemen?

Mr. THORSON: Just for information, Mr. Chairman, I do not know definitely whether there is any such rule, but I understand there is a rule that the Public Accounts Committee examine only into the accounts of the preceding year.

Mr. ERNST: Or previous years.

Mr. THORSON: And that accounts, for instance, for years as far back as 1924 and 1925 are not examinable in this year.

The CHAIRMAN: Are you contending that it is barred by the Statute of Limitations, Mr. Thorson?

Mr. THORSON: I am just asking for information, Mr. Chairman, whether there is such a rule.

The CHAIRMAN: I do not know of any such rule.

Mr. PARENT: Mr. Chairman, I have sat on this Committee for quite a few years, and it has been the constant practice in the Public Accounts Committee not to go any further back than two years. I do not know that there is any particular reason for Mr. Bell going as far back as 1924, especially when those works are not yet completed. I suggest to him that we should restrict ourselves to two years. I see that he is asking for the production of correspondence, and I was wondering if he would like to have the judgment of the Exchequer Court included in what he is asking for to-day concerning payments to Latourneau and the St. John Dry Dock and Steamship Company. I suppose Mr. Bell you would have no objection to that?

Mr. BELL (*Hamilton*): Mr. Chairman, my friends, Mr. Parent and Mr. Thorson are speaking from a greater knowledge of the matter than I have; certainly Mr. Parent is I know, and if that has been the practice to only inquire into the two years preceding the time when a motion is made I have no desire to depart from it.

Hon. Mr. MANION: I have been on this Committee now for about ten or eleven years and I cannot remember any such rule. I have attended this Committee many times before this year.

Mr. PARENT: I might refer my friend to this fact; under the Union Government—I forget the name of the lawyer who was present then who rendered the decision—it was decided that we could not go further back than two years, and his decision was upheld at the time.

Hon. Mr. MANION: I would like to know the reason.

Mr. PARENT: Well, there would be no limit, nothing to prevent you from going back fifty years.

Mr. BELL (*Hamilton*): I suppose there is something available in the way of record to which we can refer if that has become an established precedent. What I would suggest is that the motion as now made should be dealt with, but I am quite willing that should there be any precedent on file that should be properly applied to it, then it should be subjected to such amendment as that precedent calls for.

The CHAIRMAN: I am given to understand that the gentleman who laid down that rule was Mr. Hume Cronyn.

Mr. BELL (*Hamilton*): Would there not be any record available?

The CHAIRMAN: It would be in the proceedings of the Committee of that year.

Mr. BELL (*Hamilton*): Those proceedings will be available?

Hon. Mr. MANION: The point that strikes me is this: if the party in opposition thought that something should be investigated two years ago, what reason would there be for not investigating?

The CHAIRMAN: Supposing we wanted to investigate matters that came up in 1867?

Hon. Mr. MANION: That is unreasonable. Certainly there is a difference between three years and fifty years. But during the life of a Parliament it seems to me the reasonable thing would be that if one party wishes to investigate the accounts during any of that time, it should have the opportunity to do so. I have not heard any reason except precedent, and I do not care about precedents.

Mr. FRASER: I must admit I have had no experience on this particular Committee in this House. I have had experience, however, in the British Columbia Legislature, and I very well remember the practice there because it was a very active Committee. The practice there was that the Auditor General's report for the year was usually referred to the Committee, and if you wanted to go into any former reports of the Auditor General you passed the motion in the House asking that they be referred to the Committee. I notice that what has been done here is that the Auditor General's Report has been referred to this Committee, that and that alone. Could a motion before the House be made to bring before this Committee any Auditor General's Report that you require?

The CHAIRMAN: I think you would have to make a motion before the House.

Mr. THORSON: Surely there should be some time limit, as was suggested earlier in the discussion. This Committee sits every year and is constituted for the purpose of examining the public accounts, and if we are not restricted at all as to how far we may go back, we may examine the accounts for the past three years in respect of a certain transaction. Next year we may examine the accounts for the past four years in connection with the same matter, and indefinitely go on. Some reason lies behind a rule of this sort.

Hon. Mr. MANION: Would not the life of a parliament be a reasonable time?

Mr. THORSON: I merely asked the question for information because I was given to understand that there was some such rule in existence, and if there is such a rule in existence it should govern the proceedings of this particular Committee this year as in previous years.

The CHAIRMAN: The Clerk advises, gentlemen, that the Minutes before us go back to 1916, and I think it will take some little time to go over those to see if there are any precedents. In the meantime perhaps we could let that stand in abeyance?

Mr. BELL (*Hamilton*): I have another suggestion, Mr. Chairman. I will make my motion now to cover the last two years, and I take it that if we then discover a precedent which may decide the matter one way or the other I will make a separate motion in regard to that the next time the Committee meets. I think that that will cover the situation.

The CHAIRMAN: Then it is restricted to 1927 and 1928?

Mr. BELL (*Hamilton*): Mr. Chairman, the three years that I propose to deal with are before you. If for the present you will be good enough to strike out the first of those, then, as I said before, we can settle later the question of whether or not that one should be dealt with, and if so I will introduce a separate motion with regard to it.

Mr. THORSON: The year ending March 31st, 1928—

Mr. BELL (*Hamilton*): No, no. If you please, I have a motion here and the Chairman has the dates. The three years that I mentioned, Mr. Chairman, are what?

The CHAIRMAN: 1924, 1925 and 1926.

Mr. BELL (*Hamilton*): Now, I am making a motion, amended, as to 1925 and 1926, striking out the first one.

Mr. PARENT: If by looking up the back records we find that we cannot investigate any further back than two years, then this motion will not meet the purpose we have in mind, and consequently, I will move an amendment that we investigate only for the years ending 31st, March, 1927 and 1928, because 1929 is not yet in our hands.

Mr. BELL (*Hamilton*): Just before my friend presses his amendment, let me make this suggestion, that if after the adjournment of the Committee the precedent is found to be a real one I would prefer to leave the matter in abeyance rather than hack the motion up, because after all I want proper consideration of those things which are called for.

The CHAIRMAN: Well, we have the Auditor General's Report for 1927-28, as I understand it. We have not the other one before us.

Mr. BELL (*Hamilton*): That is not my fault in making the motion apply—

The CHAIRMAN: Would you not have to apply to the House asking that that be referred to this Committee, that is, 1926-27?

Mr. BELL (*Hamilton*): I would if there is a precedent which prohibits the motion being made here.

Mr. THORSON: That after all is connected with the rule which I suggested as being in existence. After all, what we have referred to this Committee this year is the Auditor General's Report for the year ending March 31st, 1928. Does the authority of this Committee extend any further than the examination of that report? This Committee is confined to the jurisdiction that is given to it by the House.

The CHAIRMAN: We have nothing else before us except the Auditor General's Report for 1927-28. If we investigate any previous reports we would have to have them referred to us by the House.

Mr. BELL (*Hamilton*): Why do you say that we have only 1927-28 before us, Mr. Chairman?

The CHAIRMAN: This is the reference dated Tuesday, 12th February, 1929:

That the Auditor General's Report for the year ending 31st March, 1928, and the public accounts for the year ending 31st March, 1928, be referred to the said Committee.

That was passed on the 12th of February this year.

Mr. THORSON: And that is all that has been referred to this Committee.

Mr. BELL (*Hamilton*): We are bound by the terms of reference, of course, and I do not want to go outside them. We can take the course that you have suggested, Mr. Chairman, that is, to have those further years referred to this Committee, and that being so I think that the whole motion had better stand. With your permission, Mr. Chairman, I will withhold that motion for the present.

The CHAIRMAN: It being understood that it will be presented to the House later?

Mr. BELL (*Hamilton*): Yes.

Mr. THORSON: It is understood that it will be presented to the House by this Committee.

The CHAIRMAN: Of course, the House can do as it likes.

Mr. ERNST: Mr. Bell can surely make a motion in the House if he likes?

The CHAIRMAN: Mr. Bell will take the necessary proceedings before the House.

Mr. PECK: At the last session of the House 1926-27 was referred to this Committee.

The CHAIRMAN: Not this Committee. That Committee is no longer in existence. It is *functus officio*. Next business, gentlemen?

Mr. BELL (*Hamilton*): Then, Mr. Chairman, I move, seconded by Mr. Cowan, for the production of all books, letters, papers, accounts, vouchers, documents, memoranda, writings or data relating to payments to Librairie Beauchemin, Ltd., Montreal, as set out at Part T-10 Report of the Auditor General for 1926-27; Part T-12 Report of the Auditor General for 1927-28 and also for the figures showing the advance at which printing and stationery supplies are invoiced out of the Printing and Stationery Department to the other Departments of the Government, and what disposition is made of the surplus amounts thus obtained.

Mr. THORSON: That motion is subject to the same objection.

The CHAIRMAN: That would appear in the Auditor General's report for this year, and I think might reasonably go through.

Mr. THORSON: Yes, it would appear in the Auditor General's report.

The CHAIRMAN: I notice you have the Auditor General's report for the year previous to this, Mr. Bell?

Mr. BELL: Yes.

The CHAIRMAN: Does the same rule apply here,—is that before the Committee?

M. BELL: Well, Mr. Chairman, looking at the reference I see that the phraseology of it is: "Tuesday, the 12th February 1929, it is ordered that the Auditor General's report for the year ended March 31, 1928, and the public accounts for the year ended March 31, 1928, be referred to the select standing Committee on public accounts." Now what is there in that that excludes, either directly or by implication, anything of the year before?

The CHAIRMAN: We have not got it before us, it has not been referred us,—the Auditor General's report for the year previous to this is not before the Committee.

Mr. BELL: Am I to take it from that that there was no reference of the Auditor General's report for the year ended March 31, 1927, made to this Committee of public accounts in 1928?

The CHAIRMAN: The public accounts Committee for 1928 is not functioning. We did not have that referred to us.

An Hon. MEMBER: It is functus officio.

Mr. BELL: As long as you have a record showing that the public accounts for 1927 were referred to Public Accounts Committee, surely it is permissible for this Committee, for the purposes of information and, if necessary, for the purposes of comparison, to go back to the accounts of the year previous.

The CHAIRMAN: Do you not think it would be more regular to go back to the house and ask that that be referred to this Committee,—the Auditor General's Report for last year.

Mr. BELL: I am going to ask you to rule on that, Mr. Chairman, and if that is your ruling I am prepared to submit to it. But it seems to me that once there has been, by an order of reference to the house, in any year, a reference of the Auditor General's report to the Public Accounts Committee, all those accounts from time to time should be before the Committee for consideration. What can be said to have happened to withdraw from the consideration of this Committee the public accounts of 1927 after they have been placed before the Public Accounts Committee by an order of reference during the year 1928?

The CHAIRMAN: Excepting that it is another Committee that has been named specially by this house this session.

Mr. BELL: Very true, that Committee may be functus officio, but that does not say that we may not have, for the purposes of comparison with the accounts of this year, the accounts of last year. Would it be reasonable to say, if we went to make a comparison, that we cannot do so because the figures were before the other Committee which is not now functioning?

The CHAIRMAN: Do you not think it would be more regular to ask the House to refer those accounts to this Committee, so that we may have them regularly before us? We have not the accounts for 1926-1927.

Mr. BELL: I understood that the point which my friend Mr. Parent raised, and which Mr. Thorson coincided with—

Mr. THORSON: I only asked for information.

Mr. BELL: I understood that the point which Mr. Parent raised was that although they might not be actually on file the accounts for the last two years were the only ones to be considered. That being so, I ask for the consideration by this Committee now of my present motion for the accounts for the last two years, on this particular head.

Mr. LAWSON: This catch phrase of functus officio seems to be given a strange meaning in this Committee.

Hon. Mr. CANNON: What does it mean?

Mr. LAWSON: I was going to submit for your consideration, Mr. Chairman, as a lawyer, that the rule of functus officio would quite probably mean that the Public Accounts Committee terminated at the end of the session, and consequently that Committee could not function further; but the rule does not mean that this Committee cannot function this year with respect to the same subject matter which may have been referred last year.

The CHAIRMAN: That is the point. The suggestion is that we should go before the House for an order to take in the Auditor General's report previous to this one, because we have not got it before this Committee. It is a very simple matter to have it brought before the Committee in a regular way.

Hon. Mr. CANNON: I understood that the hon. member from Hamilton said he wished to consider the Auditor General's report for 1926-27 for the purposes of comparison. He can easily do that without having the reference, as the Auditor General's report is a public document, it is a sessional document, and you can always use it for purposes of comparison.

Mr. RYCKMAN: Mr. Chairman, I would suggest that the Right Honourable the Prime Minister at the last session said that the public accounts for 1926-27 would be brought before this Committee at this session of parliament.

Mr. BELL: I do not want to be misunderstood, and I am sure my hon. friend the Solicitor General does not want to misunderstand me. What I meant by wishing to have the reports for purposes of comparison is that we should have those reports brought down for comparison by this Committee, and not merely for the comparison of the figures in one report after the other report has been brought down.

Hon. Mr. MANION: I would like to suggest that Mr. Bell take this up in the House. Apparently the Committee does not wish to go back beyond one year.

The CHAIRMAN: That is not exactly right. It is not before this Committee, and when it is sent here we will have it.

Hon. Mr. MANION: It is the Auditor General's accounts that the hon. gentleman wants. I think we have killed a lot of time for some days in this Committee. I would like to suggest that Mr. Bell move in parliament for these accounts.

Mr. BELL: I hardly feel that I should do that. The motion I first made received the attention of my hon. friend Mr. Parent, who as everybody knows is experienced and skilled in these matters, and my hon. friend brought up the point which I could not help feeling was very well taken, that by precedent it had been customary to examine not farther back than two years. I accepted that readily because of my friend's well-known knowledge and experience in these matters; and I now ask to have my motion dealt with on that basis. I cannot conceive that on previous occasions, when it was found to be thoroughly in order that the accounts of the two last years should be considered, there was a double reference in such years. I take it that in the years to which my friend, Mr. Parent, referred, there was the same sort of a reference, that is a reference of the then public accounts for the then current year to the Committee functioning at that time. If they did that before and if that has become established and in order by precedent, I submit it is in order and established by precedent now. I was quite willing to accept the word of so experienced a parliamentarian as my friend Mr. Parent on that, and I am quite content to abide by it; and in the light of that I am pressing the question on the motion I made.

The CHAIRMAN: How do you get over the difficulty?

Mr. BELL: How did they get over the difficulty in the years Mr. Parent speaks of?

The CHAIRMAN: We have troubles enough of our own.

Mr. BELL: There was a precedent established. We have nothing to show that on previous occasions when they went back for two years there was anything more than an order of reference for the accounts then current.

Mr. POULIOT: Without interfering with the work of the Committee, on behalf of the other members of the Committee I would wish the hon. member a happy birthday.

The CHAIRMAN: In view of the new fact that has been brought out, perhaps we can change our views. I must say, gentlemen, that I am a little diffident about deciding on this question without getting the reference from the House. It is a very simple matter to send the Auditor General's report or the accounts of last year to this Committee to be dealt with. It seems to me there ought not to be any serious objections to that.

Mr. BELL: The only objection I make is that there has been a precedent invoked, and invoked by a member who I am sure knows what he is talking about, that there has been consideration of the accounts for two years, and on that I am taking my stand and asking you, Sir, to deal with it.

Mr. PARENT: Within a week or so, the report of the Auditor General for this year will be before us; then probably all the matters which Mr. Bell wishes to have before him will be in our hands. So far as I recollect, I think I cannot go back on what I said before to this effect, that the decisions of the Chair that we could not investigate any further back than two years has been the practice of this Committee, and I think my memory is quite correct.

The CHAIRMAN: But the point I am making now is that we have not got it before the Committee.

Mr. PARENT: Of course the order for reference is only for 1928, as I understand, and for the current year. Supposing Mr. Bell makes a motion to have certain papers brought down to the Public Accounts Committee, there is nothing to prevent him from having those files which will appear later on in the Auditor General's report, and he will have all the information he wants to proceed with his investigation.

Mr. BELL: That is my friend is suggesting that the understanding should be that if the Auditor General's report is brought down, the files relating to the amounts which are set forth in the Auditor General's report for last year would necessarily contain all the information for the years previous. But the point might then be raised that this Committee was debarred from going into anything which extended back further than the one year.

The CHAIRMAN: No, I do not foresee that. I cannot see how the House could reasonably debar a person from investigating matters dealing with incidents two years before. I do not think the House or the country would stand for anything of that kind.

Mr. BELL: Then, Mr. Chairman, supposing at this stage I say that I limit my motion to the accounts which have been covered by the Auditor General's report last year. I understand that your ruling is that all the amounts shown in the files which may be brought down, which may be for several years, are open to the Committee for discussion.

The CHAIRMAN: That is for the House to decide on.

Mr. BELL: Then I must ask you, Mr. Chairman, to deal with my motion as I put it.

Mr. RYCKMAN: Do you, Mr. Chairman, recall a statement made by the Prime Minister, which was made towards the close of the session to facilitate ending? It was stated by the Prime Minister, as I recall it, and if I am not correct I will be only too pleased to withdraw it, that the Committee should have the usual period over which an investigation runs and one year back.

The CHAIRMAN: Of course if that was the obiter dictum of the Prime Minister, I would not want to traverse it. But I would prefer to have the order of the House; and I would myself, when the House opens, ask that the Auditor General's report for 1926-27 be referred to this Committee.

Mr. BELL: Well, Mr. Chairman, if you think that is right, I would unhesitatingly accept that offer to make that motion in the house.

The CHAIRMAN: Yes, I will do that, with the consent of the Committee, of course.

Mr. THORSON: There should be one exception to that, that if in the investigation of the accounts for 1926, 1927 and 1928, it transpires it is necessary in order to throw light upon them to have the public accounts for previous years, the Committee should have liberty to investigate them.

Mr. PARENT: Mr. Chairman, that would be open when the time comes.

The CHAIRMAN: Then shall we go on, Mr. Bell, with the motion for referring 1927-28 now?

Mr. BELL: If you will be so gracious as to present them both, that will solve my difficulties.

The CHAIRMAN: We have the one before us now. We want to ask that the one previous to this, for 1926-27, also be referred to this Committee.

Mr. BELL: I would like to have the three brought in, Mr. Chairman.

Mr. PARENT: Would you take a note of the remarks I made, to have the remarks incorporated?

Mr. BELL: I might as well say this now as later. I want my friend, Mr. Parent, to understand that in dealing with that matter I want the judgment that was given in the Exchequer Court to be before the Committee, and all the matters there to be wide open, so that we can realize that whatever is precluded by the judgment is to be considered if necessary, as precluded here. But the purpose of the present suggestion is that there is material which never came before the court that this Committee should properly investigate.

The CHAIRMAN: Mr. Bell's suggestion is that while we are making this motion before the House to-day we should include the 1925-26 with the 1926-27, so as to have the three before us.

Mr. BELL: The reason is that the three are somewhat interlocked. After Mr. Parent suggested that we should not go back more than two years, we might have to do that separately; but it would be much easier to cover it in the one motion.

Hon. Mr. CANNON: Is it necessary to have the accounts 1926-27 referred to the Committee in order to have the file investigated by this Committee, in connection with the Matane Dredging? Even if that file may extend for two years, it is evident that the whole file has to be produced before the Committee. I have in mind the rule that we are not to investigate beyond two years back, which applies, I think, to matters which were finished and completed two years ago; but if a matter was only completed within six months, although begun two years or three years ago, that is a matter which could be investigated by this Committee. And in connection with the Matane Dredging, I think if the hon. gentleman wishes to have the Matane file that should be put before the Committee, and there would not be any need for the whole of the report for the two previous years being brought before the Committee. If the matters were not completed two years ago I think the Committee is perfectly competent to investigate them, and if the file is to be produced before the Committee the whole file should be produced.

Mr. BELL: I did not ask for the whole of it, because I was not sure I would get the whole of it; but if I am offered the whole of it, I accept it.

In order to clear up any difficulty we are under, Mr. Chairman, if you would be good enough to apply for them both, I would appreciate it.

The CHAIRMAN: I am in the hands of the Committee.

Mr. PARENT: For the moment, I think, Mr. Chairman, we should be satisfied with the statement of Mr. Bell, that he would be satisfied with two years

back, and if we find later on that we have no such judgment rendered by the chairman of the Public Accounts Committee that we cannot go further back than two years, we can then proceed.

Mr. BELL: Then do I understand that so far as the second one is concerned, my friend Mr. Parent suggests and the Chairman thinks it would be advisable to move for leave to go into the accounts for the two years last past. That is your suggestion, is it not?

The CHAIRMAN: Yes.

Mr. BELL: In regard to the dredging contract, I understand that that is still current to a certain extent, and we are in a position to avail ourselves of what the Solicitor General has already stated, that the whole file should be brought in.

The CHAIRMAN: That it was one continuing contract, one going out of the other. I think that is reasonable.

Mr. BELL: All right.

The CHAIRMAN: How do you suggest that we are going to get the earlier part of that file before the Committee?

Mr. BELL: Supposing I discuss that with you later?

The CHAIRMAN: Yes. It is understood that we will apply this afternoon for the Auditor General's report for 1926-27.

Mr. THORSON: Is the motion withdrawn?

The CHAIRMAN: No, it stands.

Mr. THORSON: Does this come as a report from the Committee?

The CHAIRMAN: Yes. It will be presented as standing here.

Mr. ERNST: I promised to be ready this morning to deal with the two items six and seven, and I am going to ask the Committee to deal with No. six, the payment to Cunard and Company of \$13,000 odd. I presumed someone was here from the Department of Marine and Fisheries.

The CHAIRMAN: Mr. Hawken is here. Mr. Hawken wishes to make a statement.

Mr. ERNST: Yes, certainly.

Mr. HAWKEN: I just wish to say, Mr. Chairman and Gentlemen, that Mr. Johnston, the Deputy Minister of Marine and Fisheries is in London, England, attending the International Conference and is not able to be present. As Assistant Deputy Minister, and acting in his absence, I have no very accurate first-hand knowledge of the transactions which the Committee is to investigate. We have with us this morning, however, Mr. Flood, our purchasing agent, and his clerk, and they are at the disposal of the Committee.

Mr. ERNST: Mr. Flood would be far more acceptable as the correspondence in the Department is all in his name.

Mr. GEORGE H. FLOOD called and sworn:

By Mr. Ernst:

Q. Mr. Flood, the payments which we are investigating relate to the supply of coal to the Hudson Bay Expedition in the summer of 1927?—A. Yes.

Q. You are the purchasing agent of the Department of Marine and Fisheries?—A. Yes.

Q. Could you tell us what the Hudson Bay expedition was?—A. Well, it was an expedition sent to the Hudson Straits for the purpose of investigating ice conditions there.

[Mr. Geo. H. Flood.]

Q. What was the procedure of the Department in connection with the purchasing of supplies for that expedition?—A. The usual procedure took place. That is, requisitions were forwarded to us.

Q. To whom?—A. To the purchasing agent to take action on, and approved by the Chairman of the expedition, Major McLean; and we took the usual action on those.

Q. Major McLean is designated in the official correspondence as the Chairman of the expedition?—A. Yes.

Q. How was that body constituted?—A. That I do not know.

Q. Do you know who Major McLean is?—A. Yes. Major McLean has charge as Engineer of the St. Lawrence ship canal.

Q. He is one of the engineers of the Department of Marine and Fisheries?—A. Yes.

Q. Now, in relation to this particular payment to S. Cunard and Company, will you tell the Committee to what it related, or for what it was made?—A. It related to a quantity of some 480 tons of anthracite coal.

Q. Purchased where?—A. Purchased in Halifax.

Q. When?—A. The date is not in here, but it was approved in the spring of 1927.

Q. Can you tell the Committee, Mr. Flood, whether or not the purchase was made by tender?—A. Well, not in the real sense of a tender; it was not advertised, not an advertised tender.

Q. In what way were tenders asked for, if at all?—A. Well, Cunard and Company were asked to submit a price for this anthracite coal.

Q. Was any other company asked to submit prices in competition with them?—A. Not that I recall.

Q. Would you check the file, and make sure of that?—A. Yes. Here is the requisition.

By Mr. Lawson:

Q. The quantity was 480 tons?—A. Four hundred and eighty tons of anthracite coal. Here is the requisition. I do not see any other firm invited.

Q. In what manner were S. Cunard and Company asked to submit prices for this particular quantity coal?—A. They were asked by letter.

Q. In a letter written by whom?—A. There is a letter here. Major McLean, I see, was the Chairman of the Hudson Strait Expedition.

Q. Written to whom?—A. To Cunard and Company.

Q. That is Mr. McLean?—A. Major McLean.

Q. Was not the purchase made through you as Purchasing Agent?—A. Yes, eventually.

By Mr. Thorson:

Q. Are we to understand that the item of thirteen thousand dollars refers only to the four hundred and eighty tons of coal?—A. No. We are dealing with four hundred and eighty tons of anthracite coal. That is the item amounting to eight thousand and forty dollars.

By Mr. Ernst:

Q. Now you say you eventually wrote to S. Cunard and Company?—A. Yes, I wrote to them.

Q. And I think if I understand you correctly you say that they were the only firm asked to submit a price on this coal?—A. The only firm asked to submit a price on that coal.

Q. Did not Messrs. A. T. O'Leary and Company write the Department to ask for opportunity to submit a price?—A. I see a letter here from O'Leary and Company.

[Mr. Geo. H. Flood.]

Q. Will you read that letter into the record?—A. This does not deal with the item we are referring to.

Q. What does it refer to?—A. To the bunker business.

Q. Another type of business?—A. Yes.

By Mr. Duff:

Q. You say you have a letter from Major McLean?—A. Yes.

Q. Will you read that into the record?—A. (Reads)

GENTLEMEN: I am instructed by Mr. Johnston, Deputy Minister of this Department, to inform you that about 500 tons, chestnut size, of best quality Pennsylvania Anthracite coal will be required for the Hudson Strait Expedition, which will leave Halifax about July 1st.

This coal will have to be put up in double bags of 100 weight, and will be subject to inspection. Delivery will be required at wharf, Halifax, about June 1st.

Will you be kind enough to let me know whether you can supply this coal and quote prices subject to above conditions.

That is signed by N. B. McLean, Chairman, Hudson Strait Expedition Committee.

By the Chairman:

Q. What is the date?—A. March 24th, 1927.

By Mr. Ernst:

Q. Mr. Flood, as Purchasing Agent for the Department, is it not your custom to ask for competitive prices or competitive tenders, when making purchases for the Department?—A. Yes, we do.

Q. Is that not a custom of the Department?—A. It is a custom of the Department.

Q. But it does not seem to have been done in this case?—A. Not in this case.

Q. Can you inform the Committee who gave the name of S. Cunard and Company as a firm to write to for a price on coal?—A. No. We have been doing business with them for years.

Q. And with other companies?—A. With other companies.

By Mr. Parent:

Q. Who is S. Cunard and Company?—A. A Halifax concern, doing business in coal.

By Mr. Ernst:

Q. Is it the same firm which has the steamship lines?—A. No, in name only.

Q. Why, in this particular case, were competitive prices not asked for?—A. No good reason at all, except that Cunard and Company seem to have given us a very good price per ton.

Q. What was the price?—A. Fourteen dollars and seventy-five cents for anthracite coal in Halifax.

By Mr. Parent:

Q. In bags?—A. No, not in bags. Coal was selling for about fifteen dollars and fifty cents at that time.

By Mr. Ernst:

Q. Did you have that coal bagged?—A. Yes. It was to be double bagged.

Q. From whom were the bags obtained?—A. From John Simon, I think.

Q. At what price, how much?—A. That of course—

[Mr. Geo. H. Flood.]

Q. It is on the first part of the file. Do you find an Order in Council authorizing purchases in 1927?—A. Yes. It required to be double bagged. For the inner bag twelve cents was paid, and for the outer bags six cents each.

Q. The total price was how much?—A. The whole amount involved was two thousand and six dollars.

By Mr. Duff:

Q. How many bags?—A. I do not know how many bags, but there is the price per bag. I think it took about sixteen bags, or probably eighteen bags to the ton.

By Mr. Ernst:

Q. Was any person other than Mr. Simon asked to give a price on those bags?—A. That I do not know; I do not think so. I do not recall anyone being asked.

Q. How much was paid to S. Cunard and Company for bagging the coal, in addition to the fourteen dollars and seventy-five cents?—A. How much per ton?

The CHAIRMAN: You had better find out how much for the bagging contract.

Mr. ERNST: That is the interesting part.

WITNESS: Cunard and Company were paid for the actual labour.

By Mr. Ernst:

Q. I think you will find a telegram; you are reading a telegram. If you will look later you will find the price paid by the Department was two dollars per ton, if I remember rightly?—A. Approximately two dollars per ton. They said they would submit the pay-roll and vouchers showing the actual cost.

Q. Was that done?—A. I think we rather asked them to submit a definite price for doing it.

Q. How much did you actually pay them for bagging?—A. Two dollars a ton; that is according to my recollection.

By Mr. Duff:

Q. That would be about ten cents a bag, which would include the filling and sewing?—A. The inner bags were sewed, and the outer bags were tied, so that would not entail additional expense.

By Mr. Ernst:

Q. Making the total cost of the coal sixteen dollars and seventy-five cents per ton in addition to the cost of the bags.—A. Yes.

Mr. ILSLEY: No, including the cost of the bags.

WITNESS: The cost of the coal was fourteen dollars and seventy-five cents. The bags were separate.

By Mr. Ernst:

Q. The total cost of the coal, including the cost of bagging, would be sixteen dollars and seventy-five cents, and the cost of the bags was some two dollars and sixty cents extra?—A. Yes.

By Mr. Parent:

Q. Did you afterwards return the bags?—A. That would be some fun.

By Mr. Thorson:

Q. Was it necessary to double bag the coal?—A. Yes.

Q. Why?—A. There was an extra supply of stuff up there, which was left there.

[Mr. Geo. H. Flood.]

By Mr. Ernst:

Q. I ask you again, Mr. Flood, why S. Cunard and Company were the only company asked to submit a price on this particular coal?—A. No good reason, except that they were giving us a good price, that was all.

By Hon. Mr. Manion:

Q. You did not know the price until you asked them?—A. Yes, we knew, generally.

By Mr. Ernst:

Q. When you wrote to the one company you did not know what price they were going to give; you wrote to one company only?—A. It is pretty general; you know what the price is.

By Mr. Thorson:

Q. Had the department been dealing with the Cunard Co.?—A. We knew generally what coal was worth.

By Mr. Ernst:

Q. But you did not ask for competitive prices?—A. No, only we might have asked verbally. It is pretty generally understood that there is one price.

By Mr. Duff:

Q. Did you not say the prevailing price was fifteen dollars and fifty cents?—A. In Halifax, that was the prevailing price.

By Mr. Ernst:

Q. Retailed, in small lots?—A. Not in large lots.

Q. Can you not inform the Committee upon whose instructions you wrote to S. Cunard and Company only?—A. I did not write, Major McLean wrote.

Q. Did you not have correspondence with them afterwards?—A. Only in reply to theirs. In Major McLean's letter it says here "I am instructed by Mr. Johnston, the Deputy Minister."

Q. Is it not the practice of your Department to obtain competitive prices or call for public tenders?—A. Yes.

Q. Is that not almost the invariable practice?—A. Yes, we generally do except for stuff bought locally or in an emergency.

Q. This was not an emergency?—A. No, it could not be termed an emergency.

Q. Why were competitive prices or tenders not asked for?—A. No good reason, that I know of.

Mr. ILSLEY: The witness has said twice that it was because they gave a reasonable price.

Mr. PARENT: And that they could not do better elsewhere.

By Mr. Ernst:

Q. You did not say that?—A. No, but that is implied.

Q. Have you any record to show what you could have done elsewhere?—A. No, I have no record, but I know that at that time anthracite coal was selling in Halifax for fifteen dollars and fifty cents per ton.

Q. Retail, delivered?—A. Retail, delivered.

Q. You do not know whether you could have obtained a better competitive price on this coal or not, from other companies?—A. I could not, by not asking, of course.

Q. And there is nothing in the record to show?—A. No.

[Mr. Geo. H. Flood.]

By Mr. Thorson:

Q. What is a reasonable price to-day?—A. I consider fourteen seventy-five a low price for coal, from my knowledge of it. We buy very little anthracite coal; at the same time we know generally what is going on. We buy very little.

By Mr. Ernst:

Q. How much did you buy elsewhere that whole summer?—A. All over the country, I do not suppose we would buy five hundred tons.

Q. So that you would have very little knowledge?

The CHAIRMAN: He would have a householder's knowledge.

WITNESS: There is no such spread as seventy-five cents or one dollar a ton between the retail and wholesale prices of coal; at least I do not think so. That has always been my understanding.

By Mr. Ernst:

Q. Will you tell us the other items included in this total of thirteen thousand dollars?—A. The other item is for bituminous coal, six hundred and twenty-five tons of coal.

Q. Of what kind?—A. Soft coal, steam coal.

Q. Local coal, Nova Scotia coal?—A. Yes.

Q. You do not know what particular brand of Nova Scotia coal, do you?—A. No. It was from one of the Sydneys, I do not know which one it was.

Q. What did you pay per ton for that; I could not find in the vouchers any reference to that. You may have it there?—A. This coal was arranged for by our agent in Halifax, Mr. Harvey, in connection with our annual supplies. This went up to the Hudson Strait. This is our bunker coal that we buy from week to week.

Q. Is it a fact that in the case of that particular coal, you carried an extra shipload for the use of the *Stanley*?—A. Yes. That was in the *Larch*, another boat.

Q. Was it for the *Stanley*?—A. It was for the *Stanley*. She required bunker coal.

Q. What was the price paid for it?—A. Seven dollars and fifty cents, I would say.

Q. Look it up; have you not got the vouchers there?

By Mr. Beaubien:

Q. Was it bagged?—A. No, it was not bagged. Yes, it was \$7.50.

By Mr. Ernst:

Q. Seven dollars and fifty cents per ton?—A. Yes.

Q. Were any other companies asked to submit competitive prices on this bunker coal?—A. No, that is the arranged price there, \$7.50 at Halifax for our bunker coal.

Q. Arranged with whom?—A. Arranged with Cunard, arranged with O'Leary, and other firms we purchase from.

Q. What other firms have you purchased from, in the last two years?—A. O'Leary and Company.

Q. Any others?—A. There is another named Roche, I think.

Q. In other words you had arranged a price of \$7.50 per ton?—A. Yes, in Halifax.

Q. You have not asked Boak and Sons for competitive prices?—A. No, we have not asked them for competitive prices.

Q. He is a dealer in Halifax, to your knowledge?—A. I know of him by name.

[Mr. Geo. H. Flood.]

Q. You asked for no competitive price, but arranged a price of \$7.50?—A. I would not say that; we had asked prices.

Q. Can you show us any record of any competitive prices?—A. No, I cannot show you any record just now. This is our regular bunker rate, \$7.50 arranged.

Q. Arranged with whom?—A. Arranged with these firms.

Q. Which firms?—A. I have just told you.

Q. I want to know which firms had an opportunity to submit prices, and when they submitted prices?—A. Our bunker coal we take from O'Leary and Company and from Cunard and Company in Halifax.

By Mr. Duff:

Q. Anything from J. B. Mitchell and Company?—A. I do not know.

Q. Or the Dominion Coal Company?—A. No.

By Mr. Ernst:

Q. You arranged a price with O'Leary and Company and Cunard at \$7.50 per ton?—A. Yes.

Q. Without any competitive prices being asked?—A. Yes.

By Mr. Thorson:

Q. Was that a reasonable price?—A. Yes, it is.

Q. Have you any doubt that it is a reasonable price?—A. Not in my mind.

By Mr. Ernst:

Q. But did you arrange for competitive prices?—A. No. I have told you that.

Q. You just arranged prices with those firms from whom you purchased as required?—A. Yes.

By Mr. Duff:

Q. That makes it competitive, when he asks two firms?—A. Quite. These same conditions obtained right straight along, and have since I have been in the Department.

By Mr. Parent:

Q. What is that?—A. I am only telling you that I say the same conditions obtain now as they have in the past, since I have been Purchasing Agent.

By Mr. Ernst:

Q. Do you mean to say that it is not the custom of the Department to ask for competitive prices?—A. Yes, it is. They are competitive prices.

Q. If you asked for competitive prices, will you give the Committee your record as to inquiries made for competitive prices?—A. In this case?

Q. Yes?—A. No. In this case it was our bunkering arrangement, for our bunker requirements, and these are our prices.

Q. Where did you get these prices, and where is there a record of them?

MR. PARENT: From Mr. McLean. Is that not where he got them from?

By Mr. Ernst:

Q. When did you get these competitive prices, and where is the record of them?—A. They have been in existence for a year or more. I have not got them here.

Q. You mean you buy in one year at last year's prices, and without enquiry?—A. No, not necessarily.

[Major N. B. McLean.]

Q. In this case can you give me any record of obtaining competitive prices in 1927, even from those two firms?—A. No, I cannot show you competitive prices then.

Q. Are those the sole two items making up the total of thirteen thousand dollars odd?—A. Yes.

Q. That is all?—A. Yes.

Q. Do you know who the manager of the Cunard Company is; do you know Mr. E. L. MacDonald?—A. Yes. Is he the manager? I did not think he was manager. I thought a man named Fraser or somebody else was manager.

Q. There are some wires from E. L. MacDonald, on pages 24 and 25 of the file; will you turn them up?—A. I do not think that has any relation to this. Yes, it has, I beg your pardon.

Q. Will you read those wires?—A. (Reads):

Sorry to trouble you but have you decided anthracite and bituminous for Hudson Bay.

E. L. MACDONALD.

By Mr. Parent:

Q. What is the date of that?—A. The 29th of April.

Q. Did you wire back?—A. (Reads):

Official enquiry going forward to-day to Cunard & Company for quotation on four hundred and eighty tons of Anthracite coal bagged Department furnishing bags stop Question Bituminous coal not as yet considered will require approximately fourteen hundred tons stop Chairman McLean of Expedition will be in Halifax in course of a few days.

That is dated April 29th, 1927, and is addressed to E. L. MacDonald, Halifax, N.S., and signed George H. Flood.

Mr. POULIOT: May I say a word, Mr. Chairman? This gentleman is very nice, but being in the back of the room for some time, I am not sure that he is familiar with the case as Mr. McLean is. I propose, if my friends agree to it, that we hear Mr. McLean first. Perhaps he can tell the whole story in a few minutes, and then we can take Mr. Flood afterwards.

The CHAIRMAN: Mr. Flood is an official of the Department, the Purchasing agent of the Marine Department, and he can tell of his own knowledge of certain matters.

Mr. DUFF: And he has all the records.

By Mr. Ernst:

Q. Will you read that telegram more loudly, Mr. Flood?—A. (Reads):

Official enquiry going forward to-day to Cunard & Company for quotation on four hundred and eighty tons of Anthracite coal bagged will require approximately fourteen hundred tons stop Chairman McLean of Expedition will be in Halifax in course of a few days.

By Hon. Mr. Manion:

Q. That is from whom to whom?—A. That is signed by George H. Flood, to E. L. MacDonald, Halifax, N.S., and is dated the 29th April, 1927.

By Mr. Parent:

Q. Who is E. L. MacDonald?—A. Mr. MacDonald is a member of the firm of Cunard and Company.

By Mr. Ernst:

Q. Had you had previous dealings with E. L. MacDonald personally?—A. No, not personally. I know he is a member of the firm.

[Mr. Geo. H. Flood.]

Q. Had you any instructions from the Department that you were to deal with S. Cunard and Company only, in this matter?—A. No.

Q. None?—A. None.

Q. Are there any other items making up the total of thirteen thousand dollars?—A. No, that seems to be all.

By Hon. Mr. Manion:

Q. I would like to ask one question? Why did you not yourself in this case purchase from the dealers, instead of Mr. McLean?—A. Mr. McLean did not purchase it; he only wrote telling Cunard that this coal would be required. He was Chairman of the Expedition. That is how all these requisitions were put over on us to look after. It was not our own expedition. We were doing the purchasing, and, as Chairman of the Expedition, he was connected with the Department of Marine and Fisheries, by reason of his knowledge of ice conditions, and all these requisitions were forwarded and approved by him before any action whatever was taken by the Department.

Q. I may have misunderstood you. I thought it was Mr. McLean who asked for the prices?—A. Yes, he asked for the prices.

Q. What I want to understand is, why did you not do that yourself?—A. As a matter of fact, this is the first time I have seen this letter.

By Mr. Ernst:

Q. It is not the ordinary procedure of your Department?—A. The whole Expedition was—

By the Chairman:

Q. You say "this letter", you had better state what letter, as it will appear in the record as "this letter", which means nothing.—A. It is a letter signed by Mr. McLean addressed to the Cunard Company and under date of the 30th April and sent as an official enquiry to S. Cunard and Company for these 480 tons of coal.

By Mr. Ernst:

Q. Now what I want to know is—you are the Purchasing Agent for the Department?—A. Yes, for the Department of Marine and Fisheries.

Q. Why did the Department allow the Chairman of the Expedition to ask for a price over your head?—A. I cannot answer that, you know. He was the Chairman.

Q. Turn to the vouchers and see if there are not some other items of bunker coal included in the payment; turn to voucher No. 12?—A. There is a small matter here of 75 tons of Bunker coal for the "Stanley" of June 17th, at \$7.50.

Q. Anything else?—A. Yes, fifty tons supplied to the "Stanley" on May 26th.

Q. At how much?—A. For which they charged \$8.00.

Q. Then you did not have a settled price of \$7.50?—A. Yes, we did have, but I might say to you that this "Stanley" vessel is very much harder to bunker than any of our other vessels, in fact all the other coal dealers supplied it for \$7.50 to the "Stanley". It is worth from fifty to seventy-five cents a ton more.

Q. Will you explain?—A. They have no hatch by which they can shoot it down. They have to carry it around to the side.

Q. All the bunker coal supplied was for the *Stanley*; all the bunker coal to which you have referred was for the *Stanley*?—A. Yes.

Q. And this was bunker coal?—A. And this was bunker coal.

Q. Fifty tons of bunker coal? The price was not \$7.50?—A. There is the towage.

[Mr. Geo. H. Flood.]

Q. That is for the five hundred tons; I am asking you as to the fifty tons.

Hon. Mr. MANION: Were the fifty tons bought from the same firm?

Mr. ERNST: From the same firm.

Hon. Mr. MANION: For the same steamer?

Mr. ERNST: The same steamer.

Mr. DUFF: The eight dollars includes the lighterage.

By Mr. Ernst:

Q. Fifty tons do not include lighterage. There is a separate charge of \$36. Can you explain why there is that discrepancy in the price?—A. No, I cannot.

Q. You did pay as a matter of fact eight dollars instead of \$7.50.—A. That was over to Dartmouth. The \$7.50 price was to Halifax.

Q. You paid fifty cents a ton to have it lightered?—A. Yes. We pay fifty cents more to have it taken to Dartmouth.

Q. These are Cunard's payments?—A. Yes.

By Mr. Thorson:

Q. Was there any order in council authorizing these purchases?—A. Yes, there is an order in council of the 8th of June authorizing them.

Q. What does it say?—A. Do you want me to read it?

Q. Yes.—A. It is a regular order in council, dated the 8th of June, 1927.

By Mr. Duff:

Q. The order in council authorized you to purchase?—A. Yes.

By Mr. Parent:

Q. May I ask one question of you, Mr. Flood; I understood you to say that these payments were for a special thing altogether, a special excursion or a special expedition?—A. Yes.

Q. In charge of Mr. McLean?—A. Yes.

Q. It was, I presume, quite important that all the necessities for that trip would be attended to by the man who was in charge of the expedition?—A. Yes.

Q. It was, I presume possible, that Mr. McLean might make a recommendation, if he saw fit, that the coal be bought from S. Cunard and Company?—A. Well, he recommended the kind of coal to be bought.

Q. And when it came to you, we assume that with your knowledge of business the price quoted was very cheap?—A. Well, very reasonable.

Q. That was your opinion?—A. Yes, and still is.

Q. And you have a good knowledge of prevailing prices, not only at Halifax but all over the country?—A. Yes, I have a fair knowledge.

Q. And in your opinion these payments made there were reasonable?—A. Yes.

Q. Is it not a fact that on an expedition of that sort the goods necessary for the expedition had to be on board in time put up in due form?—A. Quite so. They were urging that on us every day.

Q. I will go farther, and possibly get this information, that there was nothing extraordinary in what was paid for a special expedition like that, in the purchases made; what do you say to that?—A. I did not just catch the question.

By the Chairman:

Q. Was there anything extraordinary in the purchase of that coal?—A. Not at all.

[Mr. Geo. H. Flood.]

By Mr. Duff:

Q. I hold in my hand vouchers for two lots of coal delivered to the *Stanley*, one is for 500 tons of bunker coal, trimmed in bunkers, lighted to Dartmouth, eight dollars. In other words this coal was taken from the chutes in Halifax and lighted over to Dartmouth?—A. Yes.

Q. Is that the reason for the difference of fifty cents per ton in the price ex chutes?—A. Yes.

Q. I notice also that the account for 500 tons has been certified by you as Purchasing Agent. You say that the price is fair and just. I suppose before you certified it, your agent in Halifax also certified it. I see here:—

I certify that the work has been performed, the goods received and the prices are fair and just.

There is \$36 on 50 tons charged for extra towage, on account of there not being sufficient depth of water at steamer's berth to accommodate first barge sent to deliver coal May 25. Am I right in assuming that the barge had to go back the second time for a barge-load, and that is the reason the \$36 is charged?—A. I cannot say that, but I assume that that is so.

Q. And Mr. Harvey says that the services had been performed and the goods received?—A. Mr. Harvey dealt with that; he sent that to our office, more as a matter of accounting.

By Mr. Thorson:

Q. Who is Mr. Harvey?—A. He is our Nova Scotia agent.

Mr. DUFF: Marine agent at Halifax.

Q. You would say that this \$36 is a reasonable extra charge?—A. Yes.

By Mr. Ernst:

Q. You were speaking as to Mr. McLean's knowledge. Will you read Mr. McLean's statement into the record, please?—A. Will I read it?

By the Chairman:

Q. Yes, if you please?—A. (Reads):

HUDSON STRAITS' EXPEDITION,
MARCH 24th, 1927.

GENTLEMEN:—I am instructed by Mr. Johnston, Deputy Minister of this Department to inform you that about 500 tons, chestnut size, of best quality Pennsylvania Anthracite coal will be required for the Hudson Strait Expedition—

By Mr. Ernst:

Q. That is all I want, unless some members of the Committee want the rest of it?

The CHAIRMAN: We had better finish it.

The WITNESS: (Reads):

which will leave Halifax about July 1st.

This coal will have to be put up in double bags of 100 # weight, and will be subject to inspection. Delivery will be required at wharf, Halifax, about June 1st.

Will you be kind enough to let me know whether you can supply this coal and quote prices subject to above conditions.

Yours truly,
(N. B. McLEAN)

Chairman, Hudson Strait Expedition Committee.

Messrs. S. CUNARD & Co.,
Halifax, N.S.

[Mr. Geo. H. Flood.]

By Mr. Ilsley:

Q. Is anthracite coal produced in Canada at all?—A. Not so far as I know.

Q. Has there ever been any intimation that you paid too much for this coal?—A. I never heard of any.

Q. Up till this morning there has been no intimation from any source that you paid too much for this coal?—A. No.

By Mr. Thorson:

Q. I understand that Mr. McLean wrote that letter under instructions from the head of the Department?—A. From Mr. Johnston.

Q. Then he did not act over your head?—A. No. Mr. McLean was Chairman of the Expedition. We were only the means of supplying the need, and we were doing the best we could.

The witness retired.

EDWIN HAWKEN recalled.

By the Chairman:

Q. What is your position, Mr. Hawken?—A. Assistant Deputy Minister of the Department of Marine and Fisheries.

Q. Will you explain what you know regarding this transaction respecting anthracite coal for the Hudson Strait Expedition?—A. It is not so much anthracite coal I would like to speak about, Mr. Chairman, as the \$7.50 coal, the bunker coal. I might inform you and the members of the Committee that the Marine Department operates a good many steamers on the coast of Nova Scotia, and we are buying coal for our boats at Sydney, Louisburg, Halifax, and other points where they have to be, and we have certain fixed prices at these different ports. As you know, \$7.50 is our Halifax price, and that is why Mr. Flood is unable to say that he has a quotation fixing a price of \$7.50 on this particular file referring to this transaction, from S. Cunard and Company, as I have no doubt we have it in the office in connection with our general coal requirements.

By Mr. Duff:

Q. Am I right in assuming that every year you figure out how much coal you will require, and then arrange prices for the whole season?—A. We do it from time to time. Prices may fluctuate in the course of the season, but we know the going price on coal at any of these ports, for coal trimmed in our bunkers.

By Mr. Thorson:

Q. And this is the standard prevailing price at the time?—A. Yes. We are buying coal for other departmental steamers on the coast of Nova Scotia, that are operating there.

By Mr. Ernst:

Q. Do you fix that price by public tender or by invitation?—A. No, we do not.

Q. How do you fix it?—A. By the going prices of coal in the various ports.

Q. You do not ask coal firms to submit prices for that coal during the year?—A. Not for the year. We do not ask for public tenders.

Q. Who do you ask?—A. Firms we have been doing business with.

Q. What firms do you ask in Halifax?—A. Cunard O'Leary—there are three firms we are getting coal from.

Q. Who is the third one?—A. I have forgotten; Roche, I think. I am not sure but that we have had coal from the Dominion Coal Company.

[Mr. E. Hawken.]

Q. Why do you restrict your enquiries to those three firms?—A. I do not know that.

Q. There are others as big?—A. I do not know that.

Q. Do you know why?—A. No.

Q. Is it on instructions from the head of the Department, that you restrict your enquiries?—A. Probably.

Q. Are there any notices appearing in the newspapers at all?—A. No.

Q. None whatever?—A. No.

Q. In other words, your whole system of purchasing is to purchase from a limited number of firms, for the time being?—A. Quite.

By the Chairman:

Q. That has been the rule ever since you have been in the Department?—A. Yes, I fancy so.

By Mr. Thorson:

Q. How long have you been in the Department?—A. Twenty-eight years. I have no first-hand knowledge of the most of the purchasing that is done, but that is my recollection of it.

By the Chairman:

Q. Governments come and governments go, but this rule goes on forever?—A. This rule goes on for ever. We do not advertise for coal.

By Mr. Bell (Hamilton West):

Q. Are we to understand that these three firms have been supplying coal for years?—A. I do not know who supplied our coal requirements before.

Q. Can you tell us the time when the restriction to these three firms began?—A. I cannot tell you that. This is just the information I have of this particular transaction.

By Mr. Duff:

Q. Can you tell us from whom you purchased coal in July, August September and October of 1926?—A. Not off-hand.

Q. Could you get that information for me; I would like to know?—A. At Halifax?

Q. Make it Nova Scotia.

By Mr. Beaubien:

Q. Did you purchase coal from these firms in 1921?

MR. ERNST: This is getting outside the terms of your ruling, Mr. Chairman.

MR. DUFF: I asked about July, August, September and October, four months in 1926.

THE CHAIRMAN: How will the Committee know the political complexion of these firms?

MR. DUFF: There is no politics in this.

MR. PARENT: We know pretty well what has happened.

MR. LAWSON: I think the Committee should know how long they have been purchasing from these three firms mentioned.

MR. ERNST: And I would like to know how they selected these three firms.

MR. PARENT: They are men of good taste.

By Mr. Ernst:

Q. To put it bluntly, is it not a matter of patronage?—A. I would say "yes", that is, referring to the firms whom we ask to supply coal. We do that, as long as we are not paying exorbitant prices for coal.

[Mr. E. Hawken.]

By Mr. Duff:

Q. Referring to Mr. Ernst's question, it applies to whatever Government is in power, giving the patronage?—A. Yes.

The CHAIRMAN: Mr. Ernst, being a young member, has to be instructed.

Mr. ERNST: Being a young member, I am not familiar with the sins of my predecessors.

By Mr. Duff:

Q. It was a question of patronage, in those three or four months?—A. I would say so.

By Mr. Ernst:

Q. Do you know?—A. I imagine so.

By an hon. Member:

Q. You did not get any wires to stop the works?—A. No.

The witness retired.

Mr. DUFF: Before you put someone else on the stand, Mr. Chairman, I would like to ask Mr. Flood another question.

GEORGE H. FLOOD recalled.

By Mr. Duff:

Q. In your position as Purchasing Agent for the Marine Department, especially with regard to the purchase of coal in Nova Scotia, did you purchase coal from these people whose names were mentioned this morning, during July, August, September and October, 1926, or from other people in Halifax?—A. I cannot answer that, but I would be rather inclined to think from others.

The Witness retired.

NORMAN B. McLEAN called and sworn.

By the Chairman:

Q. Mr. McLean, what is your occupation?—A. Civil Engineer on the River St. Lawrence Ship Channel, Department of Marine and Fisheries, and Chairman of the Hudson Strait Expedition.

By Mr. Duff:

Q. What was your position, or what is your position with regard to the Hudson Bay Expedition?—A. I was Chairman of the Committee, also officer in charge of the expedition.

Q. Did you supervise the purchases for that expedition?—A. I made requisitions for them.

Q. One of the requisitions you made was for about 500 tons of anthracite coal?—A. Four hundred and eighty.

Q. What was your reason for getting that anthracite coal, to be taken up to Hudson Bay?—A. We had to have coal to use.

Q. Did you have any special reason for taking anthracite coal instead of Welsh bituminous coal, or Canadian bituminous coal?—A. Yes; we were burning it in stoves, and considered that that was the proper coal to take.

Q. Was not the reason that you had a number of stoves left over from a previous expedition, and could burn no other quality of coal than anthracite coal?—A. We did not have any previous stoves left over from another expedition.

[Major N. B. McLean.]

Q. You bought stoves?—A. We bought stoves.

Q. Why did you use anthracite instead of bituminous Canadian or Welsh coal?—A. We thought it was more satisfactory, better heating and easier to handle.

Mr. POWER: And fit for the purpose?

By Mr. Duff:

Q. You thought it was more economical than to burn the other?—A. Yes. I agree on Welsh coal, because I use it.

Mr. ERNST: Why was Welsh coal excluded?

The WITNESS: It breaks up more. There was a lot of handling, you know, which was quite a serious matter.

By Mr. Ilsley:

Q. The transportation cost would be much greater on bituminous coal than on anthracite?—A. Yes.

By Mr. Arthurs:

Q. Is it not true that Welsh coal would have been equally efficient delivered at a lower price in Halifax?—A. I could not say. All I know about Welsh coal is that I use it in my own home in Halifax.

Q. It was satisfactory?—A. Very.

Q. Why did you demand anthracite instead of Welsh?—A. I did not think Welsh was suitable for up there. The fact that Welsh breaks up so much would be something against it.

By Mr. Ernst:

Q. What objection would there be to petroleum coke?—A. I do not know anything about petroleum coke.

Mr. DUFF: With anthracite you would not have to do as much stoking, to keep the fires going.

By Mr. Ernst:

Q. I want to ask this question: was it not on the instructions of the Deputy Minister that you wrote to S. Cunard and Company?—A. On the instructions of the Deputy Minister.

Q. Will you give us the names of any other companies from whom you were asked to get competitive prices?—A. I do not know of any.

Q. Were the instructions written or oral?—A. Oral.

Q. You were told to write to S. Cunard and Company?—A. Yes.

By Mr. Parent:

Q. Is S. Cunard and Company a reliable firm?—A. I believe so. I never knew them before the spring of 1927.

Q. This was not the first excursion or expedition to the Arctic region?—A. It was my first.

Q. You do not know about the previous one at all?—A. Only in a general way.

By Mr. Duff:

Q. From reading about it?—A. Yes. We got information from the Mounted Police and others, to guide us.

Witness retired.

Mr. ERNST: Mr. Chairman, it is now one o'clock. I propose that we meet next Wednesday. That will be time enough.

The CHAIRMAN: Say next Wednesday at eleven?

Mr. ERNST: I would like to ask that it be next Wednesday at eleven o'clock.

Mr. DUFF: And I would like to ask what we are going to take up next Wednesday.

Mr. ERNST: It is on the order paper.

Mr. PARENT: We are jumping from one thing to another.

Mr. ERNST: I asked for four, and we have only three of them left.

Mr. PARENT: We desire to know, so that we can look over the files ourselves.

The CHAIRMAN: No. 2, 5, 6 or 7?

Mr. ERNST: Either 2, 5 or 7.

Mr. ROSS (*Kingston City*): If we are through with this, Mr. Chairman, there are some other things I would like to ask about. This is for my own constituency. I have no complaints, but I would like to get this information, as though I was an alderman or the mayor of a city. It is up to me to know something about the accounts. May I ask for some certain details, which are given here in bulk, to be produced here for my benefit?

The CHAIRMAN: You can do that by making a motion. Have you got it written out?

Mr. ROSS (*Kingston City*): I have not got it written; I will read it. It is in regard to certain votes, or certain parts of votes. Here is what I want: Vote No. 34, Materials, Supplies and Repairs, amounting to \$438,000. It only refers to the Kingston Penitentiary, and only that part of it. There are a lot of salaries and so on that I do not care about, but that part of it called Materials, Supplies and Repairs, amounting to \$438,198.26, I would like to get.

Then Vote No. 143, only that part of it relating to Kingston and to public buildings, the Immigration office, Inland Revenue, Post Office, Public Buildings, amounting to \$12,331.04.

Then Vote No. 97, Military District No. 3; Caretakers, Firemen, Materials, Supplies and Repairs, amounting to \$162,958.

Mr. POWER: I submit that that is altogether too general. If General Ross wants to know the particulars of any vote, they are set out to a certain extent in the Auditor General's Report. I cannot believe that General Ross can come here and say, "I want to know about the details of all the expenditures at Kingston, with respect to one, two, three, four or five different departments." That is what he asks for.

Mr. ROSS (*Kingston City*): I claim that as a member I should know what these accounts are. I have no suspicion of them.

Mr. POWER: I would say that these things would be set out in the Auditor General's Report. General Ross asks: "Let me have all the expenditures incurred by the Department of Public Works, by the Department of National Defence, and by the Department of Marine and Fisheries, in the city of Kingston". I think those expenditures must be set out in their proper places in the Auditor General's Report.

The CHAIRMAN: They probably are, but Mr. Ross may want to have some further details.

Mr. POWER: Why does he not intimate to the Committee a wish to obtain information with regard to items mentioned in the Auditor General's Report?

The CHAIRMAN: I understand that that is what he is doing.

Mr. POWER: No, Mr. Chairman, he is not. He is taking the whole bulk. There is no objection to it as it is that I can see.

Mr. Ross (*Kingston City*): Mr. Chairman, I have no complaint and no reason for complaint. I am only endeavouring to acquaint myself with expenditures in my own constituency. They are here in bulk, and I want to go into them with a little more detail.

Hon. Mr. CANNON: I would suggest that there might be some difficulty in meeting the General's wishes. From the department's standpoint, it might be that these documents would be very bulky. What I would suggest is this, that after the departments concerned are acquainted with the motion, if there is such difficulty, they can inform the General, and I am quite sure that if the General realizes that it is impossible, any information which can be given I think they will be delighted to supply him with.

The CHAIRMAN: The motion will go as requested.

Mr. ERNST: I move we adjourn.

The Committee adjourned.

Doc. 11
Public Accounts, Select Standing Committee
SESSION 1929

HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON

Public Accounts

MINUTES OF PROCEEDINGS AND EVIDENCE

(Orders of Reference and Reports)

No. 5—WEDNESDAY, MAY 1, 1929

WITNESS:

Mr. Geo. H. Flood, Purchasing Agent of the Department of Marine and Fisheries.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1929

ORDER OF REFERENCE

WEDNESDAY, May 1, 1929.

Ordered,—That the Auditor General's Report for the fiscal year ending March 31, 1927, be referred to the said Committee.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

REPORT OF COMMITTEE

THURSDAY, April 25, 1929.

SECOND REPORT

The Select Standing Committee on Public Accounts beg leave to present the following as their Second Report:

Your Committee now have under consideration certain items contained in the Auditor General's Report for the fiscal year ending March 31, 1928, as referred to the said Committee.

It is deemed advisable by your Committee that certain other items which are contained in the Auditor General's Report for the previous year also be taken under consideration. Your Committee therefore recommend that the Auditor General's Report for the fiscal year ending March 31, 1927, be referred to the said Committee.

S. W. JACOBS,

Chairman.

MINUTES OF PROCEEDINGS

ROOM 425, HOUSE OF COMMONS,
WEDNESDAY, May 1, 1929.

The Committee met at 11 o'clock, a.m., this day, Mr. Jacobs, the Chairman, presiding.

Members present,—Messieurs: Beaubien, Bell (Hamilton West), Bothwell, Casselman, Cowan, Duff, Ernst, Fraser, Gray, Guerin, Ilsley, Jacobs, Kaiser, Laflamme, Lawson, Manion, Parent, Perras, Pouliot, Power, Ross (Kingston City), Ryckman, Smoke, Taylor, Thorson and Tobin—26.

The Chairman opened the meeting.

In attendance: Mr. Hawken, Assistant Deputy Minister; Mr. Flood, Purchasing Agent; Mr. Walker, and other officials of the Department of Marine and Fisheries.

Mr. Parent made a statement relative to the discussion of the previous meeting, and the following discussion in the House, in connection with practice and precedent in taking up matters dating back to previous years, and powers under the order of reference.

By request of Mr. Parent an examination of the records available back to the year 1916 had been made by the Clerk of the Committee, and by direction of the Chairman, the information secured by such examination was read to the Committee by the Clerk.

Mr. Bell spoke at some length in connection with his motion previously submitted to the Committee, with regard to the Matane dredging matter.

Although the matter was decided to be a continuing contract it was thought advisable to have the report to the House asking that the Auditor General's Report for the fiscal year 1926-27, now before the House, concurred in, and such Report placed on the order of reference.

Telegram from Mr. A. S. MacMillan, Halifax, read by the Chairman, asking what day would be advisable for him to attend before the Committee. It was decided that he be asked to attend on Tuesday, May 7. Clerk instructed to advise accordingly.

Mr. Fraser moved, seconded by Mr. Bell (Hamilton),

That all bills, vouchers, accounts and correspondence relating to the expenditures summarized in Part K-82 of the Auditor General's Report 1927-28, "materials and supplies," \$610,949.22, be produced.

Motion agreed to.

Mr. Fraser moved, seconded by Mr. Ernst,

That all bills, vouchers, accounts and correspondence relating to votes 319 and 532 "Unforeseen Expenses," Part Q-73, of the Auditor General's Report 1927-1928 be produced.

Motion agreed to.

Mr. Bell moved, seconded by Mr. Fraser,

That all books, letters, papers, accounts, vouchers, documents, memoranda, writings or data relating to payments to Dussault & Co., Mr. Letourneau (whether directly or indirectly), J. R. & J. E. Boulanger, St. John Dry Dock and Steamship Company, L. Lemieux, Hammermill Paper Co., and any other person or persons, corporation or corporations for work done in connection with dredging or construction work at Matane, as set out at page V-134, A. G. Report 1924; page V-102, A. G. Report 1925; Page V-77, A. G. Report 1926.

Motion agreed to.

Mr. Flood recalled, and examination of S. Cunard & Co. coal contract, Hudson Bay expedition, was resumed.

After discussion it was decided to take up contract payments to A. S. MacMillan on Tuesday next in the order as shown on the order paper.

Committee adjourned to Tuesday, May 7th, 11 a.m.

MINUTES OF EVIDENCE

COMMITTEE ROOM 425,
HOUSE OF COMMONS,
WEDNESDAY, May 1, 1929.

The Select Standing Committee on Public Accounts met at 11 o'clock, a.m., the Chairman, Mr. S. W. Jacobs, presiding.

Mr. PARENT: Mr. Chairman, before we proceed with the business of the day, I do not think I would be out of order in making a remark or two concerning what took place at the last meeting of this Committee. On a point raised by Mr. Bell (Hamilton) the other day in the House, certain remarks were made which, I think, should not pass without being taken up. Unfortunately, from my seat in the House, I could not hear exactly what Mr. Bell was saying at the time. But it is not exactly to what Mr. Bell said that I wish to take objection, but to what other speakers said who apparently did not know what had passed at our previous meeting. My recollection of what transpired at the last meeting is this, that there might be a doubt as to whether this Committee had the right to inquire into matters which happened two years previous to this year. I think I made the statement myself, that my recollection was to the effect that we never inquired into matters any farther than two years back; but with a view to helping Mr. Bell in the investigation he wanted to make of certain accounts, you, Mr. Chairman, suggested that you would make a motion to the House to extend the order of reference before this Committee so as to include 1927-28. The idea of this was to allow Mr. Bell to go as far as possible in the investigation that he had in mind. Some little fuss has taken place in the House, with apparently no reason at all. So far as this Committee is concerned, and so far as I can judge from what took place at the last meeting, instead of restricting the investigation that certain members might desire to make we enlarged it, and that was the purpose of your motion in the House, which I presented on your behalf, to enlarge this investigation before the Public Accounts Committee, to look into matters which were not referred to this Committee by the order of reference. Certain members made the statement that we were seeking to restrict the investigation in this Committee. I do not believe any member of this Committee had any such intention.

The point has been raised as to whether precedents were in accord with the idea I had of the matter, and I have asked the Clerk of the Committee, Mr. Morris, who has a record of the meetings since 1916, I believe, to ascertain what had taken place in this Committee in previous years. We cannot have any records further back than 1916, for the reason that all these records were burned many years ago when the Parliament buildings were burned down. Mr. Morris has, however, the records from 1916 on. I myself have not looked them over but I believe Mr. Morris has, and I will ask you, Mr. Chairman, to be good enough to request the Clerk to give to this Committee a statement of what the records show concerning the precedents established in this Committee so far as investigating back years.

The CHAIRMAN: Have you the information, Mr. Morris?

The CLERK: I have certain information here that I looked up at the request of Mr. Parent. I made a little note here to the effect that the fire of February, 1916, destroyed all the records of the Committee in the House of Commons. Since, February, 1916, there have been ninety-nine meetings of the Committee.

Upon examination of the Minutes from 1916 up to date I find no case where papers have been moved for in Committee beyond the last two preceding Auditor General's Reports, and then only when the last report becomes available later in the session. I also find, on March 17, 1925, at the time that Mr. Good took up some matters in Committee—I might read this little section, Mr. Chairman; it has some bearing on this:

Mr. Good thereupon made a statement of his reasons for having the meeting called; a matter respecting Business Profits and Income Tax collections, as referred to Committee last session.

Considerable discussion arose as to the powers of the Committee to deal with a matter which was referred to the Committee last session, after which the Chairman asked to be allowed to read from Hansard the amendment moved by Mr. Good in the House last year, the said amendment being set out at page 3242 of Hansard of 1924.

Mr. Vien on a point of order contended that the order of reference to a Committee lapsed with the prorogation of Parliament.

The Chairman ruled that at the present time the only matters referred to the Committee were contained in the Auditor General's Report for the year ending March, 1924; that the matter brought up by Mr. Good could not be considered by the Committee of this session until authority was given by the House.

Mr. BELL (Hamilton): Mr. Chairman, I am sure that all the members of this Committee must feel indebted to Mr. Parent for the trouble that he has taken to have that inquiry made, as to what precedent is available. The Committee will remember that on the occasion of the last meeting, namely, April 24, I asked that that very thing be done, but it was not practicable to do it at that time. Now that we have it, I am very much pleased to find that it does bear out what was thought by some of the older parliamentarians present to be the proper practice.

My hon. friend, Mr. Parent, has intimated that he felt that the Committee was put in an unfair light in the House the other day by reason of the fact that it was stated that there had been some obstruction to its work. He was good enough to exempt me from his remarks; he said he could not hear from his seat what was being said. Of course, he had the printed Hansard to refer to if he desired. I do not want what my hon. friend has said—although I cordially agree with him on many things—to pass unnoticed in respect to one matter. He used the expression, that the getting of this information was in order to oblige me. It is not to oblige me. The Prime Minister used the same expression in the House. He said that we were doing this as a courtesy, as a favour. I take it, Mr. Chairman, that we are not here for the purpose of doing favours at all, but that we are here in the exercise of a duty which we are called upon to perform. As far as I am personally concerned I cannot regard it in any other light, and I propose to do my duty just as conscientiously as I know how. I do not think any of it should be considered as matters of courtesy, or favour. It is obligations we are discharging.

Mr. PARENT: Would it not be an act of courtesy if in doing it we go further than the order of reference?

Mr. BELL (Hamilton): I would not like to do that, unless it is our duty. You yourself were extremely courteous, as I had occasion to acknowledge, and I am glad to do so again. However, as I see it, we are all fulfilling our duty to the best of our ability.

With regard to the report that was brought in, that report, of course, has been allowed to stand over, and I understand that you, Mr. Chairman, yesterday had intended making reference to it again but unfortunately the order went by before your opportunity arose. I believe that that is correct?

The CHAIRMAN: Yes.

Mr. BELL (*Hamilton*): When we were here the other day, as the Committee well knows, I made two motions, the first one for the production of papers for 1924-25-26-27 in regard to the Matane Dredging Contract; the second one in connection with the Beauchemin Library. The exception that I took in the House the other day to the form of the report which my hon. friend brought in was that while it made provision for laying before the Committee items in the report of the Auditor General for 1926-27 as well as 1927-28, and that that would meet the necessity of making an examination of these records, which we can make in connection with the Beauchemin Library, it would not, and could not meet the difficulty in connection with the Matane dredging contract. When we were here in Committee the other day, Mr. Parent was good enough to suggest—and I believe the Hon. the Solicitor General concurred in the statement—that as it was a continuing matter and, as I understand, now current, then we are at liberty to go into the entire matter, and that was your ruling, Mr. Chairman. That avoids the necessity of dealing with it in the House, because the whole file will be before us for investigation and discussion. If I am correct as to that, that settles the matter as far as I am concerned, and I will again ask that the file be brought in. If not, then I would like to have the matter further discussed and brought up in the House.

The CHAIRMAN: I would like to find out what the views of this Committee are with regard to the report which is now before the House. Do you wish to have it withdrawn, or have a decision given on it?

Mr. BELL (*Hamilton*): If I can be of any assistance to you and to the Committee, what I would say is this: the exception that I took to the report the other day was that it does not in any way cover that information, or deal with the possibility of securing that information which we wanted to get on the Matane dredging contract. If your ruling now is that that file will be in its entirety before the Committee, and that so far as you know, it being a continuing matter, there will be no restriction in the way in which we may go into it, then so far as I am concerned, I am satisfied.

The CHAIRMAN: That might be the view of the House, and that being so, we are creatures of the House—

Mr. PARENT: That is the way I always understood it, Mr. Chairman.

Mr. BOTHWELL: At the last meeting of the Committee, Mr. Chairman, it was quite agreeable to the members of the Committee that any matter referred to in the last Auditor General's Report that was before the Committee could be traced through to the inception of a contract, and that was the way I understood the discussion in the House the other day. But so far as the report to the House was concerned, I thought that the report, as brought in by Mr. Parent, was quite in order and in accordance with what was suggested here. So far as one of these contracts mentioned by Mr. Bell is concerned, at the last meeting of the Committee, as I understood it, it was referred to in the 1926-27 Auditor General's Report, and in order to get the end of that contract, the idea was to have that report before the Committee, so that we could take the items out of that report and then trace it back to its inception. That was the reason that that report was referred to the Committee, so that we could get the ending of that contract if it did end in that particular Auditor General's Report.

The CHAIRMAN: How are we going to get that information before this Committee? We want something which is not before us.

Mr. BOTHWELL: If the understanding of this Committee is that any item that is referred to in the Auditor General's Report of 1927-28 can be traced back through the file to the commencement of that file, then we are agreed upon that

particular phase of the matter. If this particular contract that Mr. Bell refers to is dealt with in the 1926-27 report, then, if we can get authority from the House, as stated in the report—

The CHAIRMAN: But the House seemed to declare that it was not necessary, that we could obtain this information without applying to the House.

Hon. Mr. MANION: Simply by the motion of one of the members, if the Committee concurs.

The CHAIRMAN: Yes, naturally. What we were trying to do was to put the responsibility on the House. There never was any question at all of blocking the matter, as every member here knows. You will take notice that the gentlemen who insinuated that there was blocking were not members of this Committee at all; no member of this Committee insinuated that. As I say, I wished to take the responsibility from this Committee and put it on the House, and we thought it was merely a matter of crossing the passage and asking permission from the larger body to investigate this. They said they did not think it was necessary.

Hon. Mr. MANION: Supposing then it is understood that in connection with any item in connection with the Auditor General's Report with which we have to deal, any member of this Committee may make a motion for the production of the file dealing with that particular item, and as long as this Committee deals with it we do not have to go to the House.

Hon. Mr. RYCKMAN: In connection with the Auditor General's Report of 1926-27, as stated in the Committee at its last meeting, that had been agreed to by the Prime Minister—

The CHAIRMAN: The entire report.

Hon. Mr. RYCKMAN: The entire report.

The CHAIRMAN: Our report asked for that.

Hon. Mr. RYCKMAN: I quite understand that, and, to that extent, I certainly support the report. But let there be no misunderstanding. The Prime Minister again reiterated, in a very emphatic way, that it would be before the Committee, that there would be no trouble about that promise of the Prime Minister being implemented. So then let us understand that the 1926-27 report is before the Committee and the 1927-28 report, and then if items in either of these reports need to be followed back, that can be done. If that is the understanding I think everybody will be satisfied.

The CHAIRMAN: Therefore, we ought to ask that the report be concurred in by the House. We will insist on the report going through to-day.

Hon. Mr. RYCKMAN: I do not remember exactly what you said in that report, except that I do know that you did cover the Auditor General's Report of 1926-27. Now that we have that, I am in favour of supporting the report of the Chairman, and if, above and beyond all that, it is the clear understanding of this Committee that items in those two reports—1926-27 and 1927-28—and as far back as related items go this Committee can investigate, then I think we are all satisfied.

Mr. PARENT: Speaking on this point again, Mr. Chairman, I have no desire to make any special remark, except this: if the precedents, as quoted by Mr. Morris, dating back from 1916 are altogether to the contrary, then it is a question for the Committee to decide whether we should follow these precedents or not.

The CHAIRMAN: Are they contrary, Mr. Parent? When we go before the House and ask for this power that is another matter.

Mr. PARENT: I have no doubt, Mr. Chairman, that if we encounter no opposition from the other side concerning this report it will go through very easily.

The CHAIRMAN: It would have gone through last Thursday if the Opposition had not blocked it.

Mr. DUFF: If the two items, Mr. Chairman, as asked for are in the last Auditor General's Report, that is 1927-28, we do not need the 1926-27 report.

Mr. ERNST: We need it, Mr. Chairman, for one very simple reason. During the first two or three days that we sat we were investigating an item, or a payment to A. S. MacMillan, and we need it in order to ratify what we have done or it is all ultra vires.

The CHAIRMAN: I may say that the Secretary has received a telegram from Mr. A. S. MacMillan, Halifax, dated 29th April, 1929, saying "Advise what day next week would be satisfactory my attendance before Committee." Now, if you will fix a day.

Hon. Mr. DUFF: Does that mean this week?

The CHAIRMAN: That was sent off on Monday.

Mr. THORSON: What day did the Legislature adjourn?

The CHAIRMAN: Last Saturday.

Mr. ERNST: I want to say a word. We have taken one of the MacMillan matters, and when Mr. MacMillan is here it would be a pity indeed if we could not get through with the second one without his going back to Halifax for books. The first one was an amount supplied for the Hudson Straits expedition. We have not touched that in any way. That was one of the things that was blocked.

Mr. PARENT: I object to that word, Mr. Chairman.

Mr. ERNST: I mean it in an inoffensive sense.

The CHAIRMAN: It may have a different meaning in Nova Scotia from what it has here.

Mr. ERNST: The Chairman used the expression himself a short time ago. When he does attend, the time of attendance is a matter for the Committee, and when he is summoned to attend whether by summons or telegram—I understand he comes by telegram, I would ask that he bring all books, checks, pay-sheets and documents relating to both of those matters, to the Hudson Straits expedition as well as to the Magazine at Bedford Basin.

Mr. THORSON: So that there may be no misunderstanding, the whole thing may be set out in the subpoena.

Mr. ERNST: There is to be no subpoena, I understand. I am simply asking that the clerk wire Mr. MacMillan to bring all books, cheques, pay-sheets, and all documents of all other kinds, relating to the two matters, the Magazine at Bedford Basin and the Hudson Straits expedition.

Mr. PARENT: I think it would be more regular if Mr. MacMillan were subpoenaed.

The CHAIRMAN: Mr. MacMillan understands when he is asked to come with the books that he shall come with the books.

Mr. ILSLEY: In the matter of transportation expenses, does it matter whether he is subpoenaed or not?

The CHAIRMAN: No, I do not think so. The expenses will be paid by the Committee.

Mr. ILSLEY: There are a number of other items on the list to be discussed, and I think we should have them off the order paper first. First there is a

matter of coal purchases from the Cunard Company of \$13,038, which we have not settled; and then there are some other matters such as Hillis and Robertson. I think we should go into those, and then have Mr. MacMillan come here and go into all his matters at the one time. It is not wise to have him here for eight or ten days doing nothing, as I understand he is a man with a lot of business.

Mr. ERNST: I would suggest that we start in early next week with one matter, and then go on with the other. Had my hon. friend been as thoughtful of Mr. MacMillan's time in the first matter, we could have had the material and it might have been all done in a short time.

Mr. PARENT: Why does my friend go on with that. I thought that was all settled.

The CHAIRMAN: Perhaps Mr. MacMillan might improve the shining hour when he is up here and get further contracts.

Mr. ERNST: Personally I would like the Committee to start early next week as there are a number of matters to be considered.

Mr. PARENT: Why not go on with the other items and clear them up and then get ready for Mr. MacMillan's attendance?

Mr. ILSLEY: I move that we ask to have him appear here on Tuesday next.

The CHAIRMAN: Mr. Morris reports that there are a number of Committees on Tuesday. Would it be better to go on Wednesday, Thursday and Friday?

Mr. ERNST: I do not think we have a chance to finish then next week. Mr. MacMillan's time is valuable.

Mr. THORSON: I wonder if we could not ask the permission of the House to sit while the House is sitting?

Mr. PARENT: We might amend the report and add the request for permission to sit.

The CHAIRMAN: That would have to be done by a different person. We can do that this afternoon. Then it is understood that Mr. MacMillan be asked to attend here on Wednesday?

Mr. ERNST: Personally I would prefer Tuesday.

Mr. THORSON: Do you think there is a chance of finishing next week if we start with him on Tuesday?

Mr. ERNST: I think we ought to.

The CHAIRMAN: He is apparently prepared to be here any day next week. Tuesday. Now what is the next business?

Mr. FRASER: Am I in order to move for the production of papers?

The CHAIRMAN: Yes.

Mr. FRASER: I move, seconded by Mr. Bell, that all bills, vouchers, accounts and correspondence relating to the expenditures summarized in part K-82 of the Auditor General's Report 1927-1928, materials and supplies \$610,949.22, be produced.

The CHAIRMAN: Can you tell us, Mr. Fraser, what that refers to?

Mr. FRASER: Materials and supplies purchased by the Department of the Interior in that time.

(Motion agreed to.)

Mr. FRASER: It is moved by myself, seconded by Mr. Ernst, that all bills, vouchers, accounts and correspondence relating to votes 319 and 532, Unforeseen Expenses, part Q-73, of the Auditor General's Report, 1927-28, be produced.

The CHAIRMAN: What department is that, Mr. Fraser?

Mr. FRASER: It includes all departments, Mr. Chairman. It is expenditures during the year for all unforeseen expenses in all departments of the government. You will find it in the general summary.

The CHAIRMAN: Then we will have to have every department communicated with, in order to produce these, I suppose?

Mr. FRASER: No, I do not think so. It comes through the Department of State.

(Motion agreed to.)

Mr. BELL: Now, Mr. Chairman, I was going to call attention to this fact, that when your report was being prepared we had not reached the definite conclusion that it was not necessary to ask for the figures of the Auditor General's Report for certain years in order to go into the matters connected with the Matane Dredging contract. That has now been decided and the position which you felt was the correct one has been confirmed by debate in the House. That being so, I will ask to have that motion formally carried now, and I take it that the one in connection with the Beauchemin Library should wait until your report has gone through the House of Commons.

The CHAIRMAN: You present this motion before this Committee?

Mr. BELL: I am presenting the Matane one now, because it has been unanimously decided that that need not be dealt with by the House.

Motion for the production of all books, letters, papers, accounts, vouchers, documents, memoranda, writings or data relating to payments to Dessault and Company, Mr. Latourneau (whether directly or indirectly), J. R. and J. E. Boulanger, St. John Dry Dock and Steamship Company, L. Lemieux, Hammermill Paper Company and any other person or persons, corporation or corporations for work done in connection with dredging or construction work at Matane, as set out at page V—134, Report of the Auditor General for 1924, page V—102, Report of the Auditor General for 1925, page V—77, Report of the Auditor General for 1926.

That is seconded by Mr. Fraser.

Mr. THORSON: Does this relate to the same contract?

Mr. BELL: They all relate to the same contract, a contract which we are told is current at this date.

Mr. THORSON: If they relate to the same contract, I think the motion can go.

Mr. BELL: I am not asking for it under any other conditions.

Mr. DUFF: As long as that is understood.

Mr. BELL: It keeps working backwards.

Motion agreed to.

The CHAIRMAN: Any further motions? Next business.

Mr. ERNST: I want to go on briefly with the Cunard matter, and have Mr. Flood recalled, to go on with the matter referred to the last time.

G. H. FLOOD recalled.

By Mr. Ernst:

Q. I understood Mr. Hawken to state near the close of last session that the purchase of bunker coal for the Hudson Straits expedition for the Steamer Stanley was part of the general system of purchasing of the Marine Department?—A. Yes.

Q. That is that you purchased your bunker coal on the same basis as you purchased it in all other cases for the Marine Department?—A. Yes.

[Mr. Geo. H. Flood.]

Q. How extensive would those purchases be in the course of the year? How many ships would that involve?—A. Do you mean for the whole of the Department?

Q. Yes. Take the Canadian Government Merchant Marine, do they come under that?—A. No.

Q. How many ships?—A. How many of our own vessels are there? I would say about forty or fifty, roughly.

Q. Would it be possible to obtain in convenient form the total amount of bunker coal which you purchased in Halifax, say in the year 1927, in that connection?—A. Yes, I can give you that information.

Q. And the prices paid for it throughout the course of the year?—A. Yes.

Q. Would you obtain that for a further sitting of the Committee?—A. Yes.

Q. How long would it take you to obtain it?—A. I could obtain it for the next sitting, if you wish.

Q. In how many days?—A. For to-morrow, as a matter of fact.

Q. You could have for us to-morrow, the amount purchased in a year?—A. Yes.

Q. Can you tell me in the case of the Bunker Coal whether the tons purchased were long tons or short tons?—A. Long tons, Bunker.

Q. Is there anything to indicate that?—A. No, but that is always the custom.

Q. But in this particular case I am asking you was there anything to indicate that you were getting Long tons—A. No, there was nothing to indicate it.

Q. The reason I ask is that I have had an opportunity to examine invoices for some other shipping companies, and in each case it is specified when Long tons are furnished.—A. Yes, it quite often does.

Q. Would you turn to the vouchers in these particular cases and see whether they say Long tons or Short tons?—A. I have not the vouchers here, but I did observe on the last item that one of the vouchers did indicate it was 2,240 pounds, and 2,240 pounds is a Long ton. That was one of the last vouchers which we had here on the last day. I am told they are here.

Q. Would you turn up the vouchers for the Bunker Coal?—A. Here is one, 500 tons of bunker coal gross; that means Long tons.

Mr. DUFF: That is right, that is the word.

By Mr. Ernst:

Q. Now, as to the other purchases?—A. They do not seem to indicate that they are. This one here is 50 tons of bunker coal, but it does not say "gross".

Q. Will you turn up the other?—A. 75 tons trimmed in bunker. It does not say.

Q. There is no indication?—A. There is no indication on those two.

Q. Is it not the custom to indicate when Long tons are supplied?—A. It is a well understood thing that bunker coal is supplied on the gross basis.

Q. Well, is it not your experience in the Department that it is so indicated on the invoices?—A. Well, I cannot say that; I have not closely observed that, because it has always been quite understood by us that bunkers are supplied on the Long ton basis.

Q. Have you any correspondence in connection with the setting of the price at this particular time of year, that you can bring before the Committee?—A. No, I think not.

Q. I understand Mr. Hawken to say that this was part of the regular system of purchasing of the Marine Department, these purchases.—A. Yes.

Q. And that the purchases were made from different companies in Halifax, Roche, O'Leary and another?—A. During a certain period.

[Mr. Geo. H. Flood.]

Q. During the year 1927 say?—A. Yes.

Q. And during the year 1928?—A. Yes.

Q. And that is still the case?—A. It is still the case, yes.

Q. Well, have you any correspondence with those companies indicating the manner in which the price was fixed?—A. There might be something that I do not recall. I do not recall any correspondence on that. It is very often arranged, and in fact more frequently arranged by our agent at Halifax.

Q. C. H. Harvey?—A. Yes, to bunker all vessels, and that applies to our other agencies.

Q. Would you endeavour to ascertain if there is anything to arrange it and fix it?—A. Yes, I can find out. But this is the custom which has prevailed for years, and the same exists to-day.

Q. I wanted to know if you have anything which indicates that those purchases were Long tons, as you have on the one for the 500 tons.—A. Yes.

Q. I suppose the same thing would apply to the other years. For instance, to the three or four months, July, September and October, would you make the same arrangement in those months?—A. The same arrangement, as far as related to the coal and the tonnage, but not the same arrangement as related to the firms from whom we bought.

Q. In the year 1926, did you change the names of the firms from which you purchased coal?—A. Yes.

Q. Have you anything on file to show?—A. It was changed.

Q. Have you anything on file to show how it was changed and who changed it?—A. Well, we have it on the general file, but not on these files which relate to this specific purchase.

Q. We are discussing the general rule in regard to your purchases of coal, now, so that I am quite justified, Mr. Chairman, in asking that question. Have you your file with you to show how the purchases were made? In fact I think I asked you at the last session about it, the file which will show from whom you bought this coal.

The CHAIRMAN: I think it will be shown that it was bought conservatively.

Mr. ERNST: And liberally otherwise.

By Mr. Beaubien:

Q. You said it had been changed. Did you change the purchasers?—A. We changed the firms from whom we actually purchased the coal.

Q. Did you make purchases during those three months?—A. Yes.

Q. And from different firms from those from whom you had been purchasing before?—A. Yes.

By Mr. Duff:

Q. Have you your file here?—A. It is here. Do you want me to say anything about it?

Q. From whom did you purchase coal in the months of July, August and September, 1926?—A. There is a wire here signed by "Quinn," to the Hon. W. A. Black.

By Mr. Ilsley:

Q. What is the date of that wire please?—A. July 7, 1926.

By Mr. Duff:

Q. Will you read the wire, please?—A. This reads:

Colwell advises give Buckley supplying coal to Marine and Fisheries Halifax.

Quinn.

[Mr. Geo. H. Flood.]

And there is a memorandum here.

Q. And who would Mr. Quinn be?—A. I do not really know.

Q. And do you know who Mr. Colwell is?—A. No.

By Mr. Ilsley:

Q. Do you know Mr. Buckley?—A. I know of him.

Q. Is he Inspector of Tourist Camp sites?—A. Mr. Buckley is a very active man. Here is a memorandum from the Deputy Minister to me; Contracts. The Acting Minister orders accordingly. A.J.

By Mr. Duff:

Q. Who was the Acting Minister?—A. I think it was Mr. Black at that time.

Q. And he ordered that the coal should be purchased from whom?—A. The Acting Minister instructs that coal required for Marine Department be purchased from Buckley provided he supplies Canadian mined coal of good quality at as low a price as previously paid. This is my own wire to Mr. Harvey, and is signed George H. Flood.

By Mr. Parent:

Q. The only instructions to you were to buy from Buckley?—A. Yes, and I made that provision that the coal supplied must be Canadian mined coal of good quality and as low priced as previously paid.

By Mr. Duff:

Q. Then what follows after that?—A. There is a wire from Mr. Harvey of June 13.

By Hon. Mr. Manion:

Q. Those were your instructions. Do you consider this a modification of the instructions given you by Mr. Black or the Acting Minister?—A. No, it was only a protection.

Q. You considered you were simply interpreting his instructions to you?—A. You might put it in that way if you care.

Q. Do you put it in that way?—A. No, I was looking after the interests of the Department as purchasing agent.

Q. When you suggest you were looking after the interests of the Department, do you suggest that Mr. Black was not?—A. No, I do not suggest anything whatever.

Q. Were you interpreting Mr. Black's instructions in that wire?—A. I may have been, yes.

Q. Have you a habit of modifying the instructions of the Minister?—A. There were no instructions except that Mr. Johnston, my deputy, said, "Contracts; the Acting Minister orders accordingly." There are no instructions in that. This is a wire from Quinn to the Hon. Mr. Black, and he says simply "Colwell advises give Buckley supplying coal to Marine and Fisheries Halifax." There are really no instructions in that. The only thing is that the Deputy Minister hands a memorandum to me to act accordingly.

Q. And you acted accordingly?—A. Yes, I did.

By Mr. Duff:

Q. And you thought it your duty to put that in the telegram?—A. I did that perhaps as a matter of information in the instructions to our Halifax agent, to see that they got equally as good coal as we had been supplied, and at an equally low price.

[Mr. Geo. H. Flood.]

By Mr. Ernst:

Q. I suppose those were usual instructions?—A. Yes, there was nothing unusual about that, excepting that I wanted them to see that we were getting as good coal as before, and at as good a price.

The CHAIRMAN: Dr. Fraser wants to know who Mr. Colwell was. If you say you do not know, I can tell him. He was President of the Conservative Association at Halifax. You do not object to that at all?

The WITNESS: No, not at all, I approve of it.

By Mr. Duff:

Q. Now, Mr. Flood, you were going to tell me whether Mr. Buckley sold the coal.—A. Here is a wire, from Mr. Harvey;

Referring your telegram July eighth require twelve tons old Sydney screened coal Buckley quotes eleven dollars including labour bagging but Dominion Coal Company will not supply to him except for cash Dartmouth Coal Supply Company quote same price Wire instructions.

That is only a matter of 12 tons. Then here is another letter dated July 16, 1926, and it says:

Since writing this a.m., I have phone call from Mr. Quinn, M.P., that Mr. Buckley and Dartmouth Coal & Supply Company have effected an arrangement by which the coal required for Agency can be supplied from the Dominion Coal Company to the Dartmouth Coal and Supply Company. This arrangement will be quite satisfactory to Mr. W. P. Buckley, to Mr. Quinn, and to Mr. Quinn's colleagues the Hon. W. A. Black. Any further supplies of coal for bunker or agency yars I shall order from the Dominion Coal Company through the Dartmouth Coal and Supply Company at current prices, and shall send bills from the latter firm to you.

I explained to Mr. Quinn that the Dominion Coal Company were now making delivery of the 75 tons I ordered a few hours ago direct from them.

And that is signed by Mr. Harvey.

By Mr. Ilsley:

Q. Have you any knowledge of any arrangement made between Mr. Buckley and the Dartmouth Coal and Supply Company?—A. No sir.

By Mr. Beaubien:

Q. You changed the recommendation as to the buying of coal in the same way that the Postmaster General changed postmasters?

By Mr. Bell:

Q. Do you know whether the Postmaster General changes postmasters?—A. No, I do not.

Mr. BELL: Then you cannot answer that question.

The CHAIRMAN: Any further questions?

Mr. DUFF: That is all I have to ask.

By Mr. Thorson:

Q. Who is Quinn?

The CHAIRMAN: Mr. Quinn is a member of Parliament, one of the members for Halifax.

An Honourable MEMBER: Is he still a member?

The CHAIRMAN: He is the present member.

[Mr. Geo. H. Flood.]

By Mr. Ernst:

Q. From your experience as purchasing agent of the Department, irrespective of what has been done in the past, would you not consider it a sound business practice to buy your coal in the open market?—A. Yes.

Q. That is, to invite competitive tenders?—A. That is what we are doing.

Mr. ILSLEY: What do you mean by the open market?

WITNESS: That is what we are doing.

The CHAIRMAN: Is not the price of coal fixed by the combine?

Mr. ERNST: To some extent.

The CHAIRMAN: Almost altogether.

By Mr. Ernst:

Q. Would you not consider it sound practice when you purchase bunker coal to buy it by public tender for each year?—A. There might possibly be a saving in that.

By Mr. Duff:

Q. Can you tell us whether you paid more for that supply of bunker coal?—A. No, I do not think so. I would not say that we paid more than in other years.

By Hon. Mr. Manion:

Q. Could you get that information for us?—A. Yes. I am quite satisfied we would not pass the account at a higher price, but I will get that information for the Committee.

By Mr. Duff:

Q. You paid just as much to the Cunard Coal Supply Company as to the others?—A. Yes. I am quite satisfied we did. However, I can get that information for the Committee, if you like.

The CHAIRMAN: Any further questions? If not, we will discharge Mr. Flood. Any other witness?

Mr. ERNST: No other witnesses?

The CHAIRMAN: Anything further?

Mr. ERNST: Nothing.

The CHAIRMAN: The Committee will adjourn to—

Mr. ERNST: With reference to the other items, I want to say this, Mr. Chairman, that I have had an opportunity to go through the files relating to William Robertson and Son, Austen Brothers, Limited, and Hillis and Sons. They relate to purchases of hardware in two cases and in the other case to stoves and furnaces. I do not think any useful purpose will be served by the Committee going through the files in detail. The only thing is that they were purchased in some cases from one firm and in other cases from two or three firms, who were asked to submit competitive prices; for instance, the purchase of hardware were from Robertson and Son, Austen Brothers and Cragg Brothers; electrical supplies from Austen Brothers and Cragg Brothers, one or two small purchases from the Canadian General Electric Company, purchase of stoves; two firms only were asked to submit tenders. That applies to all three items. If we narrow it down, I think Mr. Flood will agree that it was on a patronage basis.

WITNESS: We purchased from two or three firms.

Mr. ERNST: Apart from that, there is nothing in the files of interest.

By Mr. Duff:

Q. What was your practice, Mr. Flood, with regard to buying hardware and electrical supplies in those four months of 1926, and also from 1911 to 1921?

[Mr. Geo. H. Flood.]

Did you buy from Robertson and Son?—A. We may have bought a little from Robertson and Son, but we bought the bulk of it from William Stairs and Son.

By Mr. Isley:

Q. On the same basis, on a patronage basis?—A. Just on the same basis. There is no change except in the name.

Mr. ERNST: I am through. I have no desire, and it is almost impossible to check the minute items without seeing the orders. I have nothing further to ask.

Mr. DUFF: Do you wish to withdraw it, then?

Mr. ERNST: I have nothing further. It is for the Committee to dispose of it. These are items 2, 5 and 7.

Mr. DUFF: You should ask that they be withdrawn.

Mr. ERNST: I do not withdraw anything.

Mr. DUFF: I think we should ask Mr. Robertson to come here. I think Mr. Robertson is a very respectable gentleman.

Hon. Mr. MANION: I hope Mr. Duff does not think that every man whose accounts we investigate is a crook.

Mr. DUFF: No, especially Mr. Robertson. I know him very well. There may be some crooks in this country on both sides, but not Mr. Robertson.

Mr. Chairman, in all fairness, the information has gone out in the country that Mr. Ernst has asked for these files relating to Robertson and Son, F. J. Cragg, who is a member of the legislature, and Mr. Gordon B. Isnor, who is also a member of the local legislature, and Hillis and Sons. If he does not want to go on with these files, it proves conclusively that there is nothing there, and I think he should gracefully withdraw the files from the Committee.

Mr. ERNST: I simply say I have nothing to do with it.

Mr. DUFF: I think that is an admission, but it is not a very graceful one.

The CHAIRMAN: It is admitted that these files are dropped. Anything further, Mr. Ernst?

Mr. ERNST: I do not admit anything.

Mr. DUFF: If he could not find anything, or he should drop them.

Mr. ERNST: These are all I have to go on with, No. 2, 5 and 7.

Mr. DUFF: What about Cragg Brothers and Isnor?

Mr. ERNST: I was precluded from investigating those by a motion of this Committee, that they are members of the local legislature, and that they could not be investigated unless they were present.

Mr. POWER: I want to take issue with that. There was no such thing. I want that understood. We said we did not wish to go on with McMillan's case because Mr. McMillan was coming here at some future date, and we thought as a matter of convenience and courtesy that we should wait until he was here. I will not let Mr. Ernst get away with that, in this Committee. I call on the Chairman to check that up.

Mr. ERNST: I am quite willing to check it up, and you will find that I am correct.

Mr. POWER: There was no suggestion that we should not investigate anything until they were here; there was nothing here which precluded us from investigating any man because he was a member of the local legislature. We did not say we could not call him, it was said that Mr. McMillan was coming here when the session was over, and we did not think it was fair to go on until

[Mr. Geo. H. Flood.]

he was able to be here, because it was not fair either to Mr. McMillan or to the Committee.

Hon. Mr. MANION: The same thing applies to the others.

Mr. DUFF: Mr. Ernst is trying to insinuate that we tried to block the proceedings. We were only asking him to wait until the members came here, when the legislature prorogued.

Mr. ILSLEY: Mr. Ernst never asked to go on with these files.

Mr. ERNST: I was restricted to four items, One, Two, Three and Four, on the Order Paper by this Committee.

Mr. POWER: He is wrong, absolutely and in toto.

Mr. DUFF: I think we should either go on with Cragg Brothers, or drop it.

Mr. POWER: Let us get through with this. I am certain Mr. Ernst is not going to make a statement like that, if it is not so. I will read from page 94:

I was one of those opposed to this motion, and I thought I made myself quite clear, and I want to make it clear so that it will not be misunderstood. Mr. MacMillan, in this particular instance, has agreed to come before this Committee. There are three items which relate to him. I thought as a matter of convenience, and as a matter of courtesy, that we should wait until Mr. MacMillan was here, in order to proceed with the files in which his name was mentioned. And it is for that reason, and not because I think there is a principle involved, to the effect that we should not proceed with the file unless all the persons whose names are mentioned thereon are present. No one has ever gone that far. I think we have a perfect right to investigate all the public accounts of Canada, no matter who is present, and Mr. MacMillan is in no different position from any other, except that he is coming anyway.

That is what I stated, and those were the grounds on which the discussion arose. I want that made quite clear. I think the Chairman well understood that situation, because I think he made same remark along the same lines.

The CHAIRMAN: Yes, I see that remark. I said he could not be subpoenaed while the legislature was in session.

Mr. POWER: Later on you called attention to the fact that Mr. MacMillan was coming here anyway, and that we should wait till he came.

Mr. BEAUBIEN: Every one understood that you could subpoena them, but they could refuse to obey the subpoena. That is the reason we delayed things.

The CHAIRMAN: We have gone so far to-day that we have had five items dropped.

Mr. DUFF: All I want to know is, is it necessary to have Mr. Cragg and Mr. Isnor here; then we will delay going into the files. If Mr. Ernst will not let us know whether he wants them, if he does not want them we should either go on with the files or drop them.

The CHAIRMAN: I understand they are dropped.

Mr. ERNST: I have dropped three; the other two have not been examined.

Mr. THORSON: He says he was precluded from examining the files by the motion of this Committee.

The CHAIRMAN: No, he was not.

Mr. BELL (*Hamilton West*): It might interest the Committee to look at the bottom of page 95:

Before adjourning, we ought to decide what order of business we are going to take up at the next meeting, and that will give you, sir, or the Clerk, an opportunity to summon anyone here who is interested. We cannot get Mr. Cragg here, or Mr. Isnor.

[Mr. Geo. H. Flood.]

Mr. ILSLEY: That is quite a different thing entirely from examining the files.

Mr. BELL (*Hamilton West*): I am not talking about that.

Mr. THORSON: I understood Mr. Ernst to say that he was precluded from examining the files by the action of this Committee.

The CHAIRMAN: I think he will admit that he was incorrect.

Mr. ERNST: Mr. Chairman, I have come to the part I wanted. I knew the consensus of the Committee was, as I have said. (Reads):

Mr. ERNST: I have not examined the files. It is possible they may not be proceeded with at all.

Mr. DUFF: What about the ones I mentioned, Robertson and Hillis?

Mr. ERNST: I have not examined the files.

Mr. POWER: I move that we proceed with the file of someone who is not a member of Parliament, whoever that may be.

An HONOURABLE MEMBER: What is the matter with that?

Mr. ERNST: That is exactly what I was contending. Mr. Power was objecting to going on with the files.

Mr. POWER: Where do you get that?

Mr. ERNST: It is on page 96. (Reads):

Mr. POWER: I move that we proceed with the file of someone who is not a member of Parliament, whoever that may be.

Mr. POWER: Even so. I had before that made quite clear what the position was. The position was that Mr. Ernst had moved here, if I remember rightly (I am subject to correction on this) that we should proceed with one of the MacMillan cases, and Mr. Ernst agreed with me on that. Mr. Chairman, was not that the situation that day, that we should proceed with one of the MacMillan cases? I said we should not proceed with that case until Mr. MacMillan was here, because he was coming here anyway. That is the stand I took throughout the whole discussion and I summed it up in the way I have just read. Does Mr. Bell agree with me in that.

Mr. BELL (*Hamilton West*): Surely.

Mr. POWER: And Mr. Ernst also. I want it clear that I was not blocking the proceedings in any way. The vote was on the motion.

Mr. ERNST: Mr. Duff took the stand that Mr. Cragg and Mr. Isnor were members of the legislature and Mr. Power moved that we should not go on with the files relating to a member of Parliament whoever that might be, and I met with the wishes of this Committee and agreed to go on with one of the four, Robertson and Son, Hillis and Sons, Cragg Brothers or Austen Brothers.

Mr. POWER: But that was long after the vote.

Mr. ERNST: That was to meet the wishes of the Committee, and I agreed to tie myself down to one of these four.

Mr. POWER: For that day. If the honourable gentleman had understood anything, he would have understood that we were not trying to delay the proceedings except in the case of MacMillan, for the reason I have stated.

Mr. ERNST: I assumed it would apply to the others.

Mr. POWER: I want the honourable gentleman to understand that we were not delaying the proceedings, because the discussion had arisen and I wanted to proceed with something about which there was no discussion.

Mr. ERNST: Hear! Hear! That is exactly what we did.

Mr. POWER: And I moved that the Committee now proceed with the first order of business on the agenda that day. Mr. Bell agrees with that.

[Mr. Geo. H. Flood.]

Mr. BELL (*Hamilton West*): I agree with that. Then we tried to get the contract on the record, and you people voted it down.

Mr. POWER: The motion was that we proceed with one of the MacMillan cases.

Mr. BELL (*Hamilton West*): And you voted it down.

Mr. POWER: We voted on that motion on the ground that Mr. MacMillan was coming here anyway.

Mr. BELL (*Hamilton West*): I said I did not want MacMillan here. I said I wanted the contract on the record so that every member could familiarize himself with the contract but it was voted down.

Mr. POWER: We stated that we did want Mr. MacMillan here, and we had as much right to ask him to come as Mr. Bell had in saying that he should not be called. The vote was on that one item. I do not want my friends to get the idea that we were trying to block them. The vote was taken that we proceed on the one item in which MacMillan was interested. It was agreed by the Committee that he would be here on a certain date, or as soon after the prorogation of the legislature as possible. We all understood that, but in spite of that Mr. Bell insisted on going on because he wanted to read a certain contract in one of these MacMillan cases. Am I right so far?

Mr. BELL (*Hamilton West*): Absolutely.

Mr. POWER: We came to the conclusion that it would not be fair to Mr. MacMillan, on account of the publicity that has been given to the matter, that it would not be fair to allow any portion of that information to go broadcast until Mr. MacMillan was here. He was coming, and it was in view of that that the honourable gentleman's motion was defeated.

Mr. BELL (*Hamilton West*): We pointed out again and again that if that contract was brought to the Committee it might easily be found that it did not reflect upon Mr. MacMillan at all, and that he would not need to answer any questions. I said that it might pass without prejudice to anyone so far as the Committee was concerned, and that was what you voted down.

Mr. POWER: We voted down any discussion of the MacMillan item until he could be here.

Hon. Mr. MANION: The argument here by the whole Liberal group was that we must not examine any of these files appertaining to these members of Parliament without having these men here.

Mr. ILSLEY: No such thing was ever agreed to. It is absolutely wrong.

The CHAIRMAN: What is there before the Chair?

Mr. POWER: We voted on no discussion of a MacMillan item, because he was coming here.

Hon. Mr. MANION: The whole attitude of the Liberal members of this Committee was that we must not examine any of those files without having these men here to be examined.

Mr. ILSLEY: I deny that absolutely. No such thing was ever agreed on.

Mr. POWER: I will ask Mr. Manion to read it.

The CHAIRMAN: What is there before the Chair at the moment? What is the row about?

Mr. BOTHWELL: The whole discussion has arisen over a remark by Mr. Ernst that he was precluded from going into these files by the action of the Committee. I have been a member of this Committee, and have attended every meeting so far, and I did not understand that any of these files were shut out. I do not think we are getting anywhere, and I suggest that we adjourn.

[Mr. Geo. H. Flood.]

Mr. DUFF: I would like to know whether Mr. Ernst is going on with that or not. We can decide this morning whether we need these gentlemen, and if we are going on with the files.

Mr. ERNST: I say I have not examined those files.

The CHAIRMAN: Then they will have to stand.

Mr. DUFF: I want to know if they are going to stand. What about getting Mr. Craig and Mr. Isnor here when these files are taken up?

The CHAIRMAN: They might not be taken up. After Mr. Ernst has examined them, then it may not be necessary. Any other business?

Mr. PARENT: I move that we adjourn, Mr. Chairman.

Mr. ERNST: I would like to know which one of these MacMillan matters the Committee wishes to proceed with on Tuesday?

The CHAIRMAN: That is entirely in your hands, Mr. Ernst.

Mr. ERNST: I would like to proceed with the first one and then with the second one.

Mr. DUFF: And then the third.

Mr. ERNST: And the third.

The CHAIRMAN: Then it is understood that if Mr. MacMillan is here on Tuesday we will proceed with the first and second items. Any other business? If not, we will adjourn.

The witness retired.

The Committee adjourned until Tuesday, May 7, 1929.

ORDERS OF REFERENCE

WEDNESDAY, May 1, 1929.

Ordered,—That the Auditor General's Report for the fiscal year ending March 31, 1927, be referred to the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, May 7, 1929.

Ordered,—That the said Committee have leave to sit while the House is in session.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORTS OF COMMITTEE

THURSDAY, April 25, 1929.

SECOND REPORT

The Select Standing Committee on Public Accounts beg leave to present the following as their Second Report.

Your Committee now have under consideration certain items contained in the Auditor General's Report for the fiscal year ending March 31, 1928, as referred to the said Committee.

It is deemed advisable by your Committee that certain other items which are contained in the Auditor General's Report for the previous year also be taken under consideration. Your Committee therefore recommend that the Auditor General's Report for the fiscal year ending March 31, 1927, be referred to the said Committee.

S. W. JACOBS,
Chairman.

(Concurred in May 1, 1929.)

THIRD REPORT

TUESDAY, May 7, 1929.

The Select Standing Committee on Public Accounts beg leave to present the following as their Third Report.

Your Committee recommend to the House that they be given leave to sit while the House is in session.

S. W. JACOBS,
Chairman.

(Concurred in same date.)

MINUTES OF PROCEEDINGS

MORNING SITTING

COMMITTEE ROOM 425,
HOUSE OF COMMONS,
TUESDAY, May 7, 1929.

The Committee met at 11 o'clock a.m. this day, Mr. Jacobs, the Chairman, presiding.

Members of the Committee present: Messieurs Arthurs, Beaubien, Bell (Hamilton West), Bothwell, Coote, Donnelly, Dubuc, Ernst, Fraser, Gardiner, Girouard, Guerin, Ilsley, Jacobs, Laflamme, Lapierre, Lawson, Lovie, Manion, McDiarmid, Parent, Pouliot, Ross (Kingston City), Ryckman, Smoke, Taylor, Telford, Thorson and Tobin, —(29).

In attendance: Mr. A. S. MacMillan, Halifax, N.S.; Mr. E. Hawken, Deputy Minister, Department of Marine and Fisheries; Mr. A. Boyle, Chief Accountant, Department of Marine and Fisheries, and other officials of the Department.

The Chairman called the meeting to order.

Mr. Bell (Hamilton West) made a statement in connection with his second motion submitted at a former meeting of the Committee, and which was allowed to stand at that time, but he now desired to make that motion. He accordingly moved, seconded by Mr. Cowan:

That all books, letters, papers, accounts, vouchers, documents, memoranda, writings or data relating to payments to Librairie Beauchemin Ltd., Montreal, as set out at Part T-10, Report of the Auditor General for 1926-27; and also at Part T-12, Report of the Auditor General for 1927-28; and also for the figures showing the advance at which printing and stationery supplies are invoiced out of the Printing and Stationery Department to other departments of the Government, and what disposition is made of the surplus amounts thus obtained.

Motion agreed to.

The Chairman asked what was the next business to be taken up.

Mr. Ernst made a statement relative to reading into the record all papers from the file under consideration which were in any way pertinent to the matter under examination, followed by Mr. Ilsley. It was finally agreed that all papers having connection with the matter under consideration should be read into the record.

Mr. A. Boyle, Chief Accountant of the Department of Marine and Fisheries, was called and sworn.

The file was read by Mr. Boyle until one o'clock, when the Committee adjourned, by general consent, to meet again at 4 o'clock p.m.

AFTERNOON SITTING

The meeting opened at 4.15 o'clock, the Chairman presiding.

Members present,—Messieurs: Arthurs, Bothwell, Casselman, Cowan, Donnelly, Ernst, Fraser, Ilsley, Jacobs, Laflamme, Lawson, Manion, Power, Ross (Kingston City), Ryckman, Smoke, Taylor, Telford,—(18).

In attendance: the same officials as attended the morning sitting; also, Mr. A. S. MacMillan.

Mr. Boyle again called and reading of file into record was resumed.

It was agreed by the Committee that the afternoon sitting would be devoted only to the placing of the related parts of the file in the record, and when that was completed to adjourn; therefore on the completion of the file the Committee adjourned to meet again to-morrow, Wednesday, at 11 o'clock a.m.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

TUESDAY, May 7, 1929.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., the Chairman, Mr. S. W. Jacobs, presiding.

The CHAIRMAN: Gentlemen, what is the first item of business on the program?

Mr. BELL (*Hamilton West*): When we last met, you suggested that you intended to present to the House the report which had stood with respect to the accounts of the Auditor General's Department for 1926-27, as well as for 1927-28, and that report having been adopted I now renew my motion in regard to the Beauchemin library.

The CHAIRMAN: That is included in the 1927 report; the Beauchemin library?

Mr. BELL (*Hamilton West*): The records will show that.

The CHAIRMAN: I think that is in order. What is the wish of the Committee?

Mr. BELL (*Hamilton West*): It is the motion which was allowed to stand in connection with the Beauchemin library, because the report had been held up—the report which the Chairman presented in the House.

Mr. BOTHWELL: Does that not refer to the Auditor General's report of 1924-25?

Mr. BELL (*Hamilton West*): No. The Beauchemin library only refers to the two years, 1926-27, and 1927-28. Do I understand that is through, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. BELL (*Hamilton West*): Now, Mr. Chairman, in regard to the file in connection with the Matane dredging contract. Mr. Morris has explained to me that an effort has been made to get that together, but because there was in the Exchequer Court in Quebec some litigation in respect to some of the matters covered by that transaction, a quantity of the file was in Quebec, and is still there. I asked Mr. Morris to expedite the collection of the file, and he tells me that he is in touch with Quebec about it. I merely mention the matter on this occasion in order that if any further delay occurs he may have behind him the desire of the Committee that the file should be assembled and forwarded here as quickly as possible.

The CHAIRMAN: Mr. Ernst, have you any motion?

Mr. ERNST: I have no motions, Mr. Chairman.

The CHAIRMAN: What is the first order of the day?

Mr. ERNST: I am ready to proceed with the order of business as set out at the last meeting.

The CHAIRMAN: Taking them in their order as they appear on the order paper, the first item is in connection with the Department of Marine and Fisheries respecting a payment of \$88,989.72 to A. S. MacMillan, Halifax—supplies to Hudson's Bay expedition. Is Mr. MacMillan here to-day?

Mr. ERNST: Yes, I understand that he is.

The CHAIRMAN: Do you wish to examine him now?

Mr. ERNST: We have not dealt in any way with this matter. It was decided by the Committee that the whole matter be held in abeyance until Mr. MacMillan was able to attend the sittings of the Committee after the local House in Halifax had prorogued. It seems to me that to have an understanding of the situation, it will be necessary to get the departmental files before the Committee. They are here and I think should be put into the records of the Committee.

The CHAIRMAN: They were not produced by any witness.

Mr. ERNST: We have no evidence respecting it.

The CHAIRMAN: You wish to have some official from the Department produce the file?

Mr. ERNST: Yes, and read the file, so far as it is pertinent, into the record so that the Committee will know where we are going. Before we do that I wish to say that as far as I can I desire to expedite the sittings of the Committee, and to that end I have spent a great deal of time going over the files. I can eliminate a portion of the matter contained in this vote, from the consideration of the Committee. The total payment is \$88,989.72—I am subject to correction, and if I misstate anything it will not be deliberately. Part of that relates to the supplying of buildings in a knocked-down condition. Perhaps I should explain to the Committee that in connection with the development at Churchill, there was an expedition sent to Hudson Straits to study ice and other conditions there, and housing was necessary for the expedition and also on a permanent basis, so the Department of Marine and Fisheries arranged to have certain buildings constructed in Halifax in a knocked-down condition and then transported to Hudson's Bay and erected. The first part of the item of \$88,989.72 amounting to \$37,644 was paid for the construction of these buildings in a knocked-down condition. With that phase of the matter I do not propose to take the time of the Committee. The only comment I have to make—and again I am subject to correction, if I am wrong—is that I think it will be admitted by the Department that those buildings were constructed in a knocked-down condition by Mr. MacMillan who tendered in response to an invitation to tender which was sent to several firms in the province of Nova Scotia. That is all I am going to say in connection with that. The tenders were not public; they were on invitation.

Mr. ILSLEY: How many were invited to tender?

Mr. ERNST: There were seven or eight firms at the outside.

Mr. McDIARMID: Were any firms in the province of Manitoba invited to tender? Churchill is in that province.

Mr. ERNST: These were not in Hudson's Bay, but in the Straits at the entrance to the Bay.

Mr. McDIARMID: In the Province of Quebec?

Mr. ERNST: I am not sure whether it is Quebec or Laborador, but I hope it is Quebec.

Mr. ILSLEY: It is understood, of course, that if my hon. friend proposes to make a little speech about the matter and not give evidence, other members of the Committee must be free to go into it.

The CHAIRMAN: The object of this Committee is to make little speeches.

Mr. ILSLEY: I think if my hon. friend does not propose to go into this, he should so state and the matter is then dropped.

Mr. ERNST: If the hon. gentleman who asked the previous question is disposed to accept the suggestion from the hon. member for Hants-Kings, I am willing to pass on. I can give him the information from a copy I have made

from the file. I did not intend to go into the question of the construction of these huts in a knocked-down condition, to which \$37,000, apart from a few extras, applied. The phase of the matter to which I direct the attention of the Committee is the contract for labour for the erection of the buildings at Hudson Straits. The remainder of the item—not the whole of the remainder of the \$88,000, but a very substantial portion of it, some \$40,000 odd—is made up of money paid for the erection of those buildings at Hudson Straits to Mr. Mac-Millan. In connection with that the file is rather bulky and I have two propositions which I am quite willing to submit to the Committee. The first is that we take the file in its entirety, including the preliminary negotiations for the contract, and read it into the record without comment, or that the Committee allow me to simply state this, which is the fact, that the contract was entered into without tender, without competitive prices, and that we start from the basis of the contract, and have read into the record everything in the file subsequent to that which is pertinent to the contract and the payment.

Mr. ILSLEY: Speaking for myself, I would prefer to have the whole file read from the beginning.

Mr. ERNST: It will take probably an hour and a half or two hours.

Mr. ARTHURS: That is only a motion for delay.

Mr. ILSLEY: Now, Mr. Chairman, my hon. friend is absolutely wrong if he says my motive is delay. I am certainly not making it with that idea at all. But it is most important, if we are to understand this thing, to go back beyond the contract, because officers were sent to Halifax and had protracted negotiations all of which are highly relevant.

Mr. ARTHURS: After all these negotiations were gone through, of which my hon. friend speaks, there was a contract entered into and Mr. Ernst proposes as one way of getting out of this difficulty to go from the contract down. What took place before the contract is an entirely a different matter. After the contract was entered into, the contract speaks for itself. It is a legal document, which is before the Committee in its entirety, and I do not see any reason at the present time why this Committee should be forced to sit here for an hour and a half or two hours and listen to that.

Mr. BOTHWELL: I do not think it is necessary to read the whole file. There must be certain correspondence, and the contract itself, which is pertinent to the matter, we want to investigate. So far as the members of this Committee who have not had the opportunity of going through the file are concerned, they do not know what it contains, and we are not prepared to take a statement from Mr. Ernst. It seems to me that anyone who has gone through this file will then know whether there are any other documents to which attention should be drawn.

Mr. ERNST: I am very glad to accept the hon. member's suggestion. There is nothing I could discern in the file at variance with the terms of the contract.

Mr. BOTHWELL: You will file the contract?

Mr. ERNST: I think we could save time that way, but since there is objection to it I think we should take the whole file, as it is not for me to say what is or is not relevant, and the Committee should hear everything read; then if it is decided certain things should not be printed, very well. I think the Committee should have the opportunity of hearing everything that is relevant, and I am willing to have the officer go through the file without comment from me or anybody else, so that we will get the whole thing.

The CHAIRMAN: Could not the document be printed in the record, so that anyone who wants to could refer to it.

Mr. ERNST: I do not see how we could understand the whole matter unless we deal with it in this way. I realize that it is going to take time, but it seems to me we must deal with the matter intelligently, and the only way we can do that is to have the whole record before us.

Mr. ILSLEY: I have seen the file and there are a great many documents on this file which relate to the part Mr. Ernst is not going into. I do not think it will take long to go over it from the beginning. As I understand it the document on the file which relates to this is the wire of June 8, 1927, and I think my hon. friend and myself are in accord on what is relevant.

Mr. ERNST: I do not know what official of the department should be here, but I would suggest if Mr. Boyle, the chief accountant of the department is here, that he be called as a good deal of the file is under his signature, and he is undoubtedly familiar with it.

ALEXANDER BOYLE, called and sworn.

Mr. ERNST: Mr. Chairman, perhaps I could expedite matters. I think we will agree that all I desire to inquire into is the contract for labour and payments thereunder, so that only those documents in the file which relate in any way to the contract for labour need be read before the Committee. There are some extraneous matters which I am not desirous of having read, and I am quite willing to have it read without comment, so that we may make as rapid progress as possible.

By Mr. Ernst:

Q. Will you proceed, Mr. Boyle? The first document is a wire of June 8, 1927, at page 9?—A. A wire dated June 8, 1927 to A. S. MacMillan, Hollis Street, Halifax:

Mr. Surtees leaving to-day to arrange contract with you erecting buildings.

(Sgd.) N. B. McLEAN.

A MEMBER: I cannot hear a word.

By Mr. Ernst:

Q. The next is on page 11.—A. A telegram was sent, dated 8th June, 1927, from N. B. McLean to W. J. Mattice, Halifax:

Surtees arriving Halifax Thursday night. See him on arrival and arrange re MacMillan's material.

(Sgd.) N. B. McLEAN.

By the Chairman:

Q. Who is Mattice?—A. He is an officer in the branch of the Department of Marine at Halifax.

By Mr. Ernst:

Q. As a matter of fact, that is not the first on the file. There is another one on June 8 from McLean to MacMillan?

Mr. ILSLEY: He has read that, has he not? The next will be page 16.

By Mr. Ernst:

Q. Yes, will you look at that one?—A. There is a telegram from Halifax to N. B. McLean, Department Marine and Fisheries, Ottawa:

Inspected lumber very satisfactory stop All material will be delivered Halifax first next week shall wire details labour contract to-day.

(Sgd.) W. C. SURTEES.

That is dated June 11.

[Mr. A. Boyle.]

Q. What is the next?—A. The next is a telegram from Halifax, signed by W. C. Surtees, to N. B. McLean, Department Marine and Fisheries:

Have completed agreement with MacMillan which is of advantage to Department expect to send three four men fifteen carpenters twelve handymen twelve labourers total forty-two men minimum with possible fifty-one men maximum if obtainable Arrive office Tuesday with details.

Q. A letter dated June 8, 1927, at page 18?—A. This is a letter from Mr. MacMillan, from 91 Hollis street, Halifax, dated June 8, 1927, to Mr. N. B. McLean, Department of Marine and Fisheries, Ottawa:

DEAR SIR: I beg to acknowledge receipt of your telegram advising that Mr. Surtees is leaving for Halifax and will be in a position to make a contract regarding the erection of buildings.

Yours truly,

(Sgd.) A. S. MacMILLAN.

Q. The next is on page 25, dated June 17?

Mr. ILSLEY: There is one before that, dated June 14, page 50.

Mr. ERNST: I am taking them in the order in which they appear on the file. I have not arranged them chronologically, and will probably save time by taking them as they come.

Mr. ILSLEY: They will probably give a wrong idea, if you do that.

Mr. ERNST: I agree with that, that they should be taken chronologically.

By Mr. Ernst:

Q. Page 50?—A. This is a memorandum for N. B. McLean, signed by Mr. Surtees:

I beg to report that I proceeded to Halifax to ascertain Mr. A. S. MacMillan's view on the question of the labour contract covering the various buildings, plant, masts, derricks, etc., to be erected at the three stations on Hudson Strait.

After careful consideration, interviewing his men to obtain their views upon the question, Mr. MacMillan will be willing to enter into a contract with the department upon the following arrangement and attached tentative agreement.

That he will employ the minimum of forty-two men and, if obtainable, a maximum of fifty-one men.

That he will agree to erect all buildings, plant, radio masts, derricks, etc., at the three stations within a period of 75 days dating from the time a sufficient amount of materials have been landed at the different stations to proceed with the work, for the sum of \$29,463—based upon the minimum number of (42) men. The contract price will be pro rata according to the number of additional men employed at the rate stated.

The department to pay the wages of the contractor's men while being transported from Halifax to the different sites and return to Halifax.

Mr. MacMillan requested me to say that his figures are based upon a ten-hour (10 hr.) day—that the conditions to be met are unknown, making it very difficult to make a proper estimate of cost—consequently should the men be employed at a greater length of time than 10 hours per day, the department pay him for each man so employed at the rate of time and a half.

Should it be deemed necessary for the proper carrying out of the work the contractor will send a competent engineer to supervise the work at a rate of \$300 per month plus transportation, board and housing.

[Mr. A. Boyle.]

The department to transport, house and feed all of the contractor's men for the full period of the time.

The cost per day while being transported of forty-two men will be \$255—for fifty-one men \$307.50.

Mr. MacMillan requests, in order that he may make an early selection of his men, that he receive by wire, confirmation of his offer pending the signing of the contract.

(Sgd.) W. S.

Q. The next is at page 25, dated June 17?

By Mr. Ilsley:

Q. Yes. Just there, who is the man whose initials you have just read? I think we ought to clear those points up as we go along.—A. "W. S."?

Q. Yes, who is that?—A. I presume that is Mr. Surtees.

Q. Do you know his writing there?—A. Yes.

Q. It is Surtees, is it?—A. Yes.

This is a telegram, dated June 17, 1927, from A. S. MacMillan to W. Surtees, Marine and Fisheries Department, Ottawa:

Advise immediately decision regarding my offer erection buildings.

By Mr. Ernst:

Q. The next is dated June 21st at page 33?—A. This is the telegram from Ottawa, dated 21st June, 1927, from N. B. McLean to A. S. MacMillan, 91 Hollis street, Halifax:

Please submit tender on cost plus basis covering labour unloading ship, erecting all buildings, plant, etc. Hudson Strait based upon information given you stop Time to include transportation from Halifax and return stop Department boarding and housing men stop Advise total tentative amount immediately by wire based upon number of men employed also your percentage total cost.

(Sgd.) N. B. McLEAN.

Q. At page 25, dated June 17th.

Mr. ILSLEY: I think page 40 comes next,—it comes first.

By Mr. Ernst:

Q. You are right. Will you read the telegram which appears at page 40? —A. A telegram from Halifax, dated June 22nd, 1927, from A. S. MacMillan to the Department of Marine and Fisheries, Ottawa:

Care N. B. McLean: Does unloading ship mean unloading total cargo stop What means of transportation provided for landing material to shore stop Will ship's crew be available and to what extent will they assist stop Will extra men required for unloading and transporting to shore be able to return at earlier date than erection crew stop On receipt of above information will submit approximate cost as well as percentage.

(Sgd.) A. S. MacMILLAN.

Q. At page 35?—A. This is a telegram dated Ottawa, 22nd June, 1927, signed by N. B. McLean to A. S. MacMillan, Halifax:

Will not require extra men for unloading stop Would use your crew in part with Stanley's crew for this stop Idea being to start erection by units as soon as possible cooperating with me stop Stanley remains at

[Mr. A. Boyle.]

each station until unloading completed stop Transportation to shore surf boats, scow, rafts, launch and power dory for towing stop Crew of Larch available for winches stop Crew of Stanley and personnel of expedition for unloading.

(Sgd.) N. B. McLEAN.

Q. At page 41, there are two of the same date, at pages 41 and 52 and I am not sure which is first.

Mr. ILSLEY: Page 41.

A. A telegram dated Ottawa 23rd June, 1927 from N. B. McLean to A. S. MacMillan, Halifax:

Awaiting your reply re cost plus for erecting buildings before deciding. Please rush reply.

(Sgd.) N. B. McLEAN.

By Mr. Ernst:

Q. The next is at page 52?—A. This is a telegram from Halifax dated June 23rd, 1927, from A. S. MacMillan to Department of Marine and Fisheries, Attention Mr. N. B. McLean, Ottawa, Ontario:

Impossible make close estimate cost unloading general cargo account limited knowledge same believe necessary take additional men account extra work also difficult estimate additional cost outside erection account that elapsed time may vary. Would not undertake work cost plus basis less than fifteen per cent as would be necessary keep office open during the whole period for taking care financial arrangements men absent from home stop Necessary for me have immediate decision as men employed getting building material ready finished and believe would be advisable employ these men far as possible erecting buildings.

(Sgd.) A. S. MacMILLAN.

By Mr. Ernst:

Q. Now page 56?—A. This is a telegram from Ottawa bearing date June 24, 1927, signed by George H. Flood, to A. S. MacMillan, 91 Hollis Street, Halifax:

Reference your offer erection of buildings etc. Hudson Strait Department prepared to pay sum twenty-nine thousand four hundred and sixty-three dollars work to be completed within seventy-five days dating from time sufficient material landed to proceed with work Stop Department to provide transportation and board from time of sailing until men return to Halifax Stop Department to pay wages during transportation.

(Sgd.) GEORGE H. FLOOD.

Q. Page 53 next?

Mr. ILSLEY: Page 55 first.

A. This is a telegram dated Ottawa 27th June, 1927, from George H. Flood to A. S. MacMillan, 91 Hollis Street, Halifax:

Kindly reply to my wire 24th re erection of buildings etc. Hudson Strait Stop Matter urgent.

(Sgd.) GEORGE H. FLOOD.

By Mr. Ernst:

Q. There are two wires at pages 53 and 54 from MacNearney to Flood?—A. This is a wire dated June 27th, from Halifax, signed by C. A. MacNearney,—

A MEMBER: Who is MacNearney?

[Mr. A. Boyle.]

Mr. ERNST: I think he was in Mr. MacMillan's employ, he was connected with Mr. MacMillan in some way.

The WITNESS: To George H. Flood, Department Marine and Fisheries, Ottawa:

Mr. MacMillan unavoidably detained in Antigonish reply *re* erection will go forward to-morrow night.

By Mr. Ernst:

Q. Then page 54?—A. This is a telegram dated 27th June, 1927, from Halifax, signed by C. A. MacNearney to George H. Flood, Department Marine and Fisheries, Ottawa:

Mr. MacMillan absent from city returning to-night. Will wire to-night.

(Sgd.) C. A. MACNEARNEY.

Q. Then on page 57?—A. This is a telegram dated Ottawa 29th June, 1927, from George H. Flood to A. S. MacMillan, 91 Hollis Street, Halifax:

Still without definite reply Departmental offer *re* erection of buildings Hudson Strait matter important Stop We should hear without fail to-day your decision.

(Sgd.) GEORGE H. FLOOD.

Q. Page 31, dated June 29th?—A. This is a telegram, dated June 29th, 1927, from Halifax, signed by A. S. MacMillan, to George H. Flood, Department Marine and Fisheries, Ottawa:

Your telegram June twenty-fourth accept offer subject to conditions explained that is if unusual difficulties encountered in preparing ground for foundation for buildings requiring overtime work on part of my men to complete contract within time limit when I am to be paid for extra time this I am sure you will agree is fair as there is no information available here as to nature of ground upon which buildings are required to be erected and your officers have the right to fix location.

(Sgd.) A. S. MACMILLAN.

Q. Then on page 26, the memorandum I think will next come.—A. This is a memorandum dated Ottawa June 30th, 1927, signed by "W. S."—I presume this is W. Surtess.

A MEMBER: Who is Surtess, what position does he hold?—A. He is an architect in that branch of the department. This memorandum reads as follows:

The telegram received hereunder from Mr. A. S. MacMillan, Halifax, N.S. replying to the departmental message of the 24th instant, in which he agrees to erect the buildings at Hudson Strait for the sum of \$29,463.00.

The substance of his telegram is fair and I consider the price mentioned is reasonable to do the work under unknown conditions or nature of sites.

(Sgd.) W.S.

By Mr. Ernst:

Q. The next item is at page 27?—A. This is a telegram dated Ottawa, 30th June, 1927, to A. S. MacMillan, Halifax, signed by George H. Flood:

Reference your wire twenty-ninth accepting our offer twenty-fourth erection of buildings etc. Hudson Strait in accordance departmental specification conditions stipulated accepted Stop Make immediate preparations for desirable help necessary complete work within time specified.

(Sgd.) GEORGE H. FLOOD.

Q. Then page 28?—A. This is a letter, dated 30th June, 1927, from Ottawa, signed George H. Flood, Purchasing and Contract Agent, to Mr. A. S. MacMillan, Contractor, Hollis Street, Halifax, N.S.:

In confirmation of my message to you of even date stating that the conditions mentioned in your telegram of the 29th instant regarding erection of buildings at Hudson Strait are accepted by the Department, I would ask you to start at once to collect your men keeping in mind the fact that only the best men available are to be employed by you on this work, also that special attention be paid to the employing of the foremen and carpenters in order to avoid, as far as possible, the necessity of working overtime on the works.

The contract will be forwarded for your signature in a day or so, as well as the specifications and agreement similar to revision made by you when our Mr. Surtees was in Halifax a few weeks ago.

Yours truly,

(Sgd.) GEORGE H. FLOOD,
Purchasing and Contract Agent.

Mr. ILSLEY: Now would you put in the contract?

Mr. ERNST: There are two things before that. They are of no particular significance. There was some delay in returning the contract.

Mr. ILSLEY: The letter of July 7 was enclosing two copies of the agreement and then there was a wire to the same effect on the same day.

Mr. ERNST: Yes, I thought they should go in, and then take the contract, at page 63.

The WITNESS: At page 63, this is a letter dated July 7, 1927, from George H. Flood, Purchasing and Contract Agent, to The Agent, Department of Marine and Fisheries, Dartmouth, N.S.:

HUDSON STRAIT EXPEDITION

SIR,—Enclosed are two copies of Articles of Agreement in connection with contract with A. S. MacMillan, 91 Hollis Street, Halifax, for supplying necessary labour for the erection of Buildings, etc., for the Hudson Strait Expedition.

Will you kindly get in touch with Mr. MacMillan and obtain his signature to these documents and return to the department at the earliest possible date, upon receipt of which the signature of the Department will be affixed and one copy returned to Mr. MacMillan.

Yours very respectfully,

(Sgd.) GEORGE H. FLOOD,
Purchasing and Contract Agent.

Mr. ERNST: 64?

The WITNESS: This is a telegram from Ottawa dated the 7th of July, from George H. Flood to the department of Marine and Fisheries, Dartmouth, N.S.:

Two copies agreement with MacMillan for supplying labour erection of buildings, etc., Hudson Strait in mail Stop. Obtain MacMillans signature and return to Department earliest date possible. Stop. If any reason for not being able to obtain same wire.

Mr. ERNST: If it is the wish of the Committee at this stage, in order to shorten matters I would like to eliminate the reading of the contract itself. It

[Mr. A. Boyle.]

is the ordinary stereotype contract, and can be printed at the back of the proceedings. I was wondering if the Committee would agree to the reading of the schedule. Perhaps it might be well to find out how much the contract price was?

The WITNESS: \$29,463. The detailed schedule reads as follows:

*Detailed Schedule of Conditions of Agreement to erect Buildings, etc.,
for the Hudson Strait Expedition*

The following is a schedule of the work which the contractor will be required to perform and of the conditions governing the contract for same:

(1) Assist as directed, by the Officer-in-Charge, in the unloading, landing and transporting of material for the said buildings, etc., insofar as it does not interfere with progress of construction of the buildings.

(2) All buildings, unless otherwise mentioned or shown, to have temporary foundations placed under same using local materials that may be available.

(3) Erect all buildings according to plans and specifications attached hereto and marked (Specification 1-8-4).

(4) All buildings to be anchored down as detailed in specification.

(5) To set up all derricks (6), put in all concrete foundations for engines and radio plant, assist with setting up all engines, and steel masts, and to furnish all necessary labour in connection with the erection of any plant or equipment not included in the erection of buildings.

(6) The limit of time for completion of the work detailed above shall be 75 days from the commencement of unloading at one station except as provided in paragraph 12 below.

(7) Wages will be paid by the Department during transportation to the first station where construction begins and contract becomes operative; also after the 75 day period above mentioned until such time as men are returned to Halifax, wages for working time in excess of 75 days as set forth in paragraph 6 will in no case be allowed except unusual difficulties are encountered causing unforeseen delays; the final decision to lie with the Chairman of the Expedition, Mr. N. B. McLean.

(8) The rates of pay to apply under paragraphs 7 and 20 shall be as follows for the different classes of men employed, inclusive of profits and all expenses in connection with this work:

Foremen, \$8 per day of 10 hours.

Carpenters, \$7 per day of 10 hours.

Handymen, \$5.50 per day of 10 hours.

Labourers, \$5 per day of 10 hours.

(9) The contractor shall employ upon the works the following men, the Foremen and Carpenters to be first class mechanics:

Minimum	Maximum
3 Foremen	3 Foremen
15 Carpenters	18 Carpenters
12 Handymen	15 Handymen
12 Labourers	15 Labourers.

(10) The contractor shall provide all necessary hip rubber boots, rubber coats, hats, etc., necessary to carry on his work while engaged outdoors.

(11) The contractor is to provide his men with all carpenter's tools necessary to carry on the work, unless otherwise noted, in a satisfactory workmanlike manner and to the satisfaction of the Officer-in-Charge.

(12) Should it be found impracticable or impossible due to unforeseen or unknown causes, which in the absence of the necessary information make it impossible to estimate or determine upon, to erect any part of the stations within the 75 day period fixed by the Department, the contractor may, at the discretion of the Officer-in-Charge be required to complete the work on a cost plus basis, the percentage to be paid the contractor to be not more than 15 per cent of the cost of completing such work.

(13) The annexed specification is to be incorporated into this agreement and contract as a guide so that the various foremen shall know the Department's requirements when erecting the different buildings.

(14) Progress payments shall be made to the contractor on the 15th and end of each month, the amounts of such payments to be on the basis of 80 per cent of the total amount due the contractor on the respective dates, as reported by the Chairman of the Expedition; the first payment to become due and payable on August 1st, 1927.

(15) The contractor shall on the 15th and end of each month pay to the Dependents of men employed an amount as designated by such men when employed. A list of such payments shall be forwarded twice monthly to the Chief Accountant of the Department of Marine and Fisheries, if required.

(16) If it is found necessary before the close of the work, the Officer-in-Charge may require overtime to be worked, and in such event time and one-half will be paid to all men required to work such overtime. The contractor will be reimbursed for such overtime paid over and above the contract price, except as stipulated in paragraph 17 below.

Record of such overtime to be kept by the Department as well as the Contractor and adjustment made on the return of the men to Halifax.

(17) Under no circumstances will the Department pay the contractor for overtime where it is made necessary by any of the workmen not working or refusing to co-operate with the Officer-in-Charge, after the work has been started, or if the minimum of labour as detailed in paragraph 9 is not maintained throughout the term of the contract.

(18) That it is agreed between the Department and the contractor that the various officials employed shall co-operate in full to expedite the work, viz; should one station be nearing completion and some of the men can be spared therefrom, that these men be transported to the station most in need—or other arrangements not at present known, but to be agreed upon on the site.

(19). That the department of Marine and Fisheries, Marine Branch, shall transport all contractor's employees engaged upon this work, their kits and tools, from Halifax, N.S., to the various sites and return—provide suitable bedding and sleeping quarters upon ship, and board the men while on board ship.

That the Department of Marine and Fisheries shall provide house, bedding and food as well as possible under the existing condition for all the contractor's employees engaged upon this work at the various stations.

(20) If for any reason the contractor's men are returned before the expiration of the 75 day period above mentioned, any saving in wages effected shall be deducted from the contract price.

The WITNESS: This is a letter dated the 9th of July, 1927. It is signed by L. E. Cote, Chief Engineer, addressed to Mr. Ralph Isnor:

The enclosed agreement is a copy of that signed by Mr. A. S. MacMillan, contractor, Halifax, N.S., in connection with the erection of the various buildings at Hudson Strait.

I have to request you to make yourself familiar with the different items the contractor has agreed to do and to see that everything, as far as possible, is carried out to the best interest of the Department.

Further it is advisable that you procure a suitable log book and keep therein a complete record of the construction work at three stations.

By Mr. Lawson:

Q. Who is Mr. Isnor?—A. He was an inspector that went up for the department to see that the work was done properly.

By Mr. Ernst:

Q. An inspector employed at Halifax?—A. Yes.

Q. 77?—A. A letter dated July 16th from M. B. McLean to the Deputy Minister:

I beg to enclose herewith for your signature two copies of the contract with Mr. A. S. MacMillan for the erection of the buildings of the Hudson Strait Expedition, which was agreed upon between ourselves and Mr. MacMillan on Thursday night last. One copy of this contract is for the Departmental files and one copy to be returned to Mr. MacMillan.

I am, Sir,

Your obedient servant,

Q. 79, memorandum?—A. This is a memorandum dated 21st of July, 1927.

The proposed contract as forwarded by Mr. McLean has been altered in the following respects from the original schedule prepared by the Department.

Paragraph 7

In dealing with the period during which the Department is to pay wages the phrase "also after the entire work is completed" has been changed to "also after 75 day period above mentioned."

This does not materially alter the text of the paragraph as it is provided that "no wages for working time in excess of 75 days will be allowed except unusual difficulties are encountered," which is as previously stipulated.

Paragraph 12

This replaces No. 13 of the original and provides for the completion by the contractor on a cost plus per cent basis, of any part of the work found impracticable or impossible during the 75 day period on account of unforeseen conditions, at the option of the officer in charge. The original stated that in the event of it being impossible to carry out any portion of the work, reduction might be made accordingly from the amount of the contract.

This alteration is not in the interests of the Department as it is now possible, in the event of a portion of the construction not being carried out, for the contractor to extend the balance of the work to occupy the entire 75 day period and collect the full amount of the contract price.

Paragraph 20:

[Mr. A. Boyle.]

This replaces No. 9 in the original and makes provision for deductions from the amount of the contract equivalent to the saving of wages in the event of the contractor's men being returned before the expiration of the 75-day period.

No alteration in the intended meaning is involved.

Paragraph 20 of the original schedule has been omitted entirely. This dealt with the probability of any of the contractor's men not giving a proper day's work and provided that the time of said workmen might be deducted from the amount of the contract.

This omission does not seriously conflict with the interests of the Department, as it is stated in No. 17 that under no circumstances will the Department pay overtime where it is made necessary by any of the workmen not working or refusing to co-operate with the officer in charge. It is therefore to the advantage of the contractor to see that his men are kept working, with a view to completing the work in the specified time.

Q. That is an unsigned memorandum?—A. Yes.

Q. Do you know who prepared it?—A. No, but I understand it was the Purchases Branch.

Q. 80?—A. This is a memo, signed by George H. Flood, Purchasing and Contract Agent, dated Ottawa, 21st of July, 1927, to the Assistant Deputy Minister:

On going over the form of contract with A. S. MacMillan, Halifax, for the construction of buildings, etc., for the Hudson Straits Expedition, which has been submitted for signature, I find that a number of alterations from the original schedule drawn up by the Department have been made, but in the main these do not materially affect the spirit of the contract.

The only questionable alteration is that now no provision is made for a deduction from the contract price in the event of it being impossible for unforeseen reasons to undertake any portion of the construction—see comments *re* Paragraph 12 in memorandum attached hereunder. However, as the contract as a whole has apparently been accepted by Mr. McLean, there would seem to be no good purpose served by disputing the point at this time.

I would therefore respectfully submit that the contract be signed in its present form.

Mr. ERNST: Perhaps we might have missed 74 and 75. Those relate to the contract not yet returned to the Department.

Mr. ILSLEY: I think they are important; 74 is.

Mr. ERNST: 74 then.

Mr. ILSLEY: It states when the contract is signed.

The WITNESS: This is a letter dated Halifax, 25th July, 1927, from Charles H. Harvey, Agent, Marine Department, Halifax, to the Purchasing and Contract Agent, Department of Marine and Fisheries, Ottawa:

Referring to your letter of the 7th instant in which you enclosed me two copies of Articles of Agreement in connection with contract with A. S. MacMillan, Halifax, for supplying labour, etc., for Hudson Strait Expedition, I duly forwarded these copies to Mr. MacMillan and to-day am in receipt of reply from him that he signed the agreement on the 15th instant and handed same to Mr. N. B. McLean, at his request, who stated that he would forward same to the Deputy Minister. Mr. McLean apparently overlooked advising me to this effect.

[Mr. A. Boyle.]

By Mr. Ernst:

Q. 75?—A. This is a letter dated Ottawa, 29th July, 1927, signed by George H. Flood, Purchasing and Contract Agent, Department of Marine and Fisheries, to the agent, Department of Marine and Fisheries, Dartmouth:

I beg to acknowledge the receipt of your letter of the 7th instant, in respect to the contract with A. S. MacMillan for supplying labour, etc., for the erection of buildings for the Hudson Strait Expedition.

In reply I assumed that Mr. McLean had advised you in this matter, but as he has neglected to do so, I have to inform you that contract has now been duly signed by both Mr. MacMillan and the Department.

Please accept my thanks for your assistance in this matter.

Q. 76?—A. This is a letter dated Ottawa, the 4th of August, 1927, to A. S. MacMillan, Halifax, signed by George H. Flood, Purchasing and Contract Agent:

I am enclosing herewith contract for the erection of buildings for the Hudson Strait Expedition duly signed by Mr. Johnston, Deputy Minister of Marine and Fisheries, Dartmouth.

Q. 81?—A. This is a telegram dated the 15th of August, 1927, to the Deputy Minister of Marine and Fisheries. It is from Port Nelson:

A progress payment is due A. S. MacMillan to-day.

McLean Steamer Stanley.

Q. 82?—A. This is a letter from A. S. MacMillan, dated Halifax, 18th August, 1927, to the Department of Marine and Fisheries, Ottawa:

With reference to the contract for the erection of buildings etc., Hudson Straits Expedition, I am attaching hereto approximate progress estimate for work completed to August 15th. Due to lack of information the date of commencement is only approximate. This will have to be adjusted at the termination of the contract.

Q. 83?—A. This is a letter dated Ottawa, August 25th, 1927, signed by E. Hawken, Assistant Deputy Minister, to A. S. MacMillan:

In connection with your contract for furnishing labour to erect buildings, etc., for the Hudson Strait Expedition and in accordance with paragraph 15 of the schedule attached to said contract, will you please let me have a detailed list of the amounts paid to workmen for the period ending July 31st, also a detailed list for the period ending August 15th.

These lists should show the names of workmen, number of days, rate per day, total amount paid to each and should bear signatures by the parties receiving payment or else separate receipts attached as vouchers.

I am, Sir,

Your obedient servant.

Q. 84?—A. This is a radio message from McLean to the Department while he was on board the Stanley going up the Hudson Strait. It is dated 3rd September, 1927:

Twenty four send eleven boat loads and two scow loads to beach Stop Mens building being sheathed inside powerhouse foundation going in storehouse practically finished blubber-house well advanced Stop One Marconi mat finished complete Stop *Re* Hudson Bay house Burwell has had this in mind for some time and will report after arrival there.

[Mr. A. Boyle.]

By Mr. Ernst:

Q. Now, number 85.—A. This is a letter from Mr. MacMillan, at Halifax, dated, September 8, 1927, to Mr. Hawken, Assistant Deputy Minister. (Reading):

91 Hollis Street,
Halifax, N.S.,
September 8, 1927.

Mr. E. C. HAWKINS,
Assistant Deputy Minister,
Department of Marine and Fisheries,
Ottawa, Canada.

DEAR SIR: Enclosed herewith please find Progress Estimate in accordance with our contract for the erection of buildings, Hudson Straits expedition.

Yours truly,
(Signed) A. S. MACMILLAN.

Q. Number 86.—A. This is another letter from Mr. MacMillan's office, dated September 17, 1927, to Mr. E. Hawken, Assistant Deputy Minister, Marine Department, Ottawa. (Reading):

91 Hollis Street,
Halifax, N.S.,
September, 17, 1927.

Mr. E. C. HAWKINS,
Assistant Deputy Minister,
Department of Marine and Fisheries,
Ottawa, Canada.

DEAR SIR: We beg to advise you that the Progress Estimate, August 16th to 31st, Hudson Straits erection contract, which we submitted to you was in error, and enclosed herewith please find corrected estimate for this period.

Kindly return incorrect estimate to the writer under personal cover.

Yours truly,
(Signed) E. J. WALKER.

Q. Number 88.—A. A telegram, Halifax, dated September 24, 1927, from A. S. MacMillan to E. Hawken, Assistant Deputy Minister, Marine Department, Ottawa.

Halifax, N.S.,
September 24, 1927.

E. C. HAWKINS,
Assistant Deputy Minister,
Department of Marine and Fisheries,
Ottawa.

Cheques not received covering Hudson Straits contract due August 31st and September 15th. Forward immediately.

A. S. MACMILLAN.

Q. Number 91.—A. This is a letter dated September 30, 1927, to the Manager, Bank of Montreal, Ottawa. (Reading):

September 30th, 1927.

SIR,—I enclose cheque No. A.11952 for eight thousand five hundred and fifty-six dollars ninety-nine cents (\$8,556.99), payable to the order

[Mr. A. Boyle.]

of your bank for A. S. MacMillan, to be wired to your branch at Halifax, N.S. I enclose franked telegram blank for your use.

I am, sir, your obedient servant,
Hudson Strait Patrol.

A. BOYLE,
Chief Accountant.

The Manager,
Bank of Montreal,
Ottawa.

By Mr. Bell (Hamilton West):

Q. Who sent that? It is to the Bank of Montreal. From whom?—
A. From the Department; we sometimes wire money through the banks.

By Mr. Ernst:

Q. It is signed by yourself?—A. Yes.

Q. Number 92.—A. A telegram dated 30th September, 1927, from A. Boyle to A. S. MacMillan, Halifax (Reading):

C.N.T.

OTTAWA, September 30th, 1927.

A. S. MACMILLAN,
91 Hollis Street,
Halifax, N.S.

Balance of second progress payment two thousand six hundred forty-eight dollars sixty-nine cents and third progress payment for labour contract Hudson Strait buildings five thousand nine hundred eight dollars thirty cents wired you today Bank of Montreal.

A. BOYLE.

Charge Marine

Q. No. 94.—A. This is a telegram dated 8th October, 1927, signed by A. Boyle to MacLean, Stanley, Port Nelson. (Reading):

C.N.T.

Day letter

OTTAWA, Ontario, October 8th, 1927.

MCLEAN, STANLEY,
Port Nelson, Man.
Via Winnipeg Radio.

Six forward following information by Stanley on her return date started unload first base date completion construction all bases by MacMillan number hours overtime MacMillan's crew crews Stanley Larch copy timekeeper's records record any deductions from men returning for goods supplied by Department list supplies being returned Stanley or Larch copy stores by bases record all metals supplied by Larch for which Department liable payment all available records for settlement accounts.

A. BOYLE.

Charge Marine

Q. No. 98.—A. A telegram from Halifax, signed by A. S. MacMillan, dated the 25th of October, 1927, to George H. Flood, Marine Department, Ottawa.
[Mr. A. Boyle.]

(Reading):

HALIFAX, N.S., October 25th, 1927.

GEO. H. FLOOD,
Department of Marine & Fisheries,
Ottawa.

Larch arrived Halifax to-day. Have not received cheque for estimate September sixteenth to thirteenth. Men have to be paid off. Wire money to Royal Bank, Halifax.

A. S. MACMILLAN,

Q. No. 99.—A. A letter dated Ottawa, October 25th, 1927, to the Manager of the Royal Bank of Canada, Ottawa, signed by A. Boyle. (Reading):

OCTOBER 25th, 1927.

SIR,—I enclose cheque No. B. 9599, for five thousand eight hundred and ninety-five dollars seventy-four cents (\$5,895.74) payable to the order of your bank for A. S. MacMillan, to be wired to your branch at Halifax, N.S. I enclose franked telegram blank for your use.

I am, Sir,
Your obedient servant,

A. BOYLE,
Chief Accountant,

The Manager,
Royal Bank of Canada,
Ottawa.

Q. No. 100.—A. Telegram dated Ottawa, October 25, 1927, to A. S. MacMillan, 91 Hollis street, Halifax. (Reading):

C.N.T.

OTTAWA, October 25, 1927.

A. S. MacMILLAN,
91 Hollis Street,
Halifax, N.S.

Money wired you through Royal Bank to-day.

A. BOYLE.

Charge Marine.

Q. No. 101.—A. There are three papers there together.

Q. Yes, 101 to 103, the order in council.—A. Order in council dated October 28, 1927, P.C. No. 2105. (Reading):

P.C. 2105

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 28th of October, 1927.

The Committee of the Privy Council have had before them a Report, dated 19th October, 1927, from the Minister of Marine and Fisheries, submitting that, in connection with the Hudson Strait Expedition, it was found necessary to enter into a contract for the labour involved in the landing of materials, erection of buildings, radio masts, slipways, etc.

Order in council P.C. 756, dated April 27, 1927, authorized the completion of a contract with Mr. A. S. MacMillan, Halifax, N.S., for the supply of materials for the buildings which were to be delivered in knock-down condition, cut and shaped to Departmental specification.

[Mr. A. Boyle.]

It was considered that, on account of having supplied the material and having separated and marked the various bundles for the purposes required, this firm should be in the best position to undertake the work of erection, and accordingly they were asked to submit a proposition. After some negotiations it was agreed upon that,

1. Mr. MacMillan should provide the necessary labour to carry out the work required for the sum of \$29,463 on the basis of completing the work within a period of seventy-five (75) days from commencement, the working day to be ten (10) hours.

2. The Department to pay the men prevailing wages to and from the Hudson Strait, and during any periods they were unable to work through unforeseen conditions.

3. The department to provide board and lodging for the men from the time of leaving Halifax until their return.

4. In the event of it being impossible to complete the work within the seventy-five (75) day period, the officer in charge may demand the working of overtime for which the department is to pay at the rate of time and one-half or, the seventy-five day period may be extended and the department pay regular wages for the number of extra ten (10) hour days worked.

5. In the event of the work being completed before the expiration of the seventy-five (75) day period the department is to be credited for the number of days the men did not work.

The following is an approximation of the total expenditure involved:

Contract for erection of buildings, etc., in seventy-five day period.. . . .	\$29,463
Wages of men during transportation to Hudson Strait.. . . .	4,200
Wages of men during return from Hudson Strait.. . . .	4,200
Estimated overtime and time lost during seventy-five day period.. . . .	5,137
	<hr/>
	\$43,000

The Purchasing and Contract Agent of the Department of Marine and Fisheries who, with the approval of the Deputy Minister, negotiated the agreement referred to above, reports that heretofore it has been impossible to estimate with any degree of accuracy the amount of money involved. He states, however, that the figures now submitted above have been carefully examined and are found to be fair and just, and in keeping with the spirit of the agreement, and recommends that payments should be made under the terms of the contract to the extent of \$43,000, which recommendation is approved by the Deputy Minister of Marine and Fisheries.

The Minister, concurring in the above report, recommends that authority be granted for the payment to Mr. A. S. MacMillan, Halifax, N.S., of a total amount of approximately \$43,000 for the purposes outlined above, this amount to be payable out of Vote 221 providing for the establishment of a patrol service to investigate conditions of navigation in the Hudson Strait and Hudson Bay.

The Committee concur in the foregoing recommendation and submit the same for approval.

(Signed) E. J. LEMAIRE,
Clerk of the Privy Council.

Q. No. 104.—A. A letter from MacMillan, dated Halifax, 2nd November, 1927, to the Department of Marine and Fisheries, Ottawa, attention Mr. E. Hawken. (Reading):

91 HOLLIS STREET, HALIFAX, N.S.,
November 2, 1927.

Department of Marine and Fisheries,
Ottawa, Canada.

Attention Mr. E. C. Hawkins

DEAR SIR,—Enclosed herewith please find progress estimate for work completed October 1 to October 15. Will you kindly see that cheque is forwarded immediately.

Yours truly,

(Signed) A. S. MACMILLAN.

Q. No. 105.—A. Another letter from MacMillan, dated November 2, 1927, to the Department of Marine and Fisheries, attention Geo. H. Flood, Purchasing Agent. (Reading):

91 HOLLIS STREET, HALIFAX, N.S.,
November 2, 1927.

Department of Marine and Fisheries,
Ottawa, Canada.

Attention Mr. George H. Flood, Purchasing Agent.

DEAR SIR,—Will you kindly forward as soon as possible cheques covering invoices which were forwarded to you in connection with material and labour supplied for Hudson Straits contract.

Yours truly,

(Signed) A. S. MACMILLAN.

Q. No. 106.—A. A letter dated Ottawa, November 5, 1927, from Geo. H. Flood, Purchasing and Contract Agent, to A. S. MacMillan, Halifax. (Reading):

NOVEMBER 5, 1927.

SIR,—Replying to your letter of the 2nd instant, I regret that it is impossible to forward cheques for invoices rendered in connection with services performed for the Hudson Strait Expedition at the present writing, as the appropriation voted by parliament for this purpose has been exhausted and until additional funds are provided no further payments can be made.

I am informed that action is being taken with a view to having money made available at an early date, and I trust that we will be in a position to look after your invoices in the near future.

Yours very respectfully,

GEORGE H. FLOOD,
Purchasing and Contract Agent.

A. S. MacMillan, Esq.,
91 Hollis Street,
Halifax, N.S.

[Mr. A. Boyle.]

Q. No. 107.—A. A letter from A. S. MacMillan, Halifax, dated November 21st, 1927, to the department, attention Mr. A. Johnson, deputy minister. (Reading):

91 HOLLIS STREET,
HALIFAX, N.S., November 21, 1927.

The Department of Marine and Fisheries,
Ottawa, Canada.

Attention A. Johnson, Deputy Minister.

DEAR SIR,—I find that payments on my Hudson Bay contract have not been coming through, and I am advised by the purchasing agent that funds are not available at the present time, but that the chief accountant is endeavouring to make the necessary arrangements.

I would appreciate very much anything that you can do towards hastening payments which are overdue.

Yours truly,

(Signed) A. S. MACMILLAN.

Q. No. 109.—A. Another letter from MacMillan of Halifax, dated November 21, 1927, to the department, attention Mr. Geo. H. Flood. (Reading):—

91 HOLLIS STREET,
HALIFAX, N.S., November 21, 1927.

The Department of Marine and Fisheries,
Ottawa, Canada.

Attention George H. Flood, purchasing agent.

DEAR SIR,—I have your letter of the 18th inst., with reference to outstanding accounts and note that the chief accountant has the matter in hand. I trust that payment will be forthcoming shortly.

Yours truly,

(Signed) A. S. MACMILLAN.

Q. No. 108.—A. Letter dated Ottawa, November 24th, 1927, signed by Geo. H. Flood, to A. S. MacMillan, Halifax. (Reading):—

NOVEMBER 24th, 1927.

SIR,—In the absence of the deputy minister I am to reply to your letter of November 21st, in reference to the payment of your outstanding accounts.

In this connection I may state that the matter has been referred to the chief accountant who will no doubt be in a position to furnish you with further information.

Yours very respectfully,

GEORGE H. FLOOD,
Purchasing and Contract Agent.

A. S. MacMillan, Esq.,
91 Hollis Street,
Halifax, N.S.

[Mr. A. Boyle.]

Q. No. 110.—A. Telegram from Mr. MacMillan at Halifax, dated November 26th, 1927, to the deputy minister at Ottawa. (Reading):—

HALIFAX, N.S.,

November 26th, 1929.

Deputy Minister of Marine and Fisheries,
Ottawa, Ont.

Balance of workmen here to-night from Hudson Straits will demand settlement in full. We have no payments for October and November your department for balance of contract overtime and material unpaid for wire funds Royal Bank.

(Signed) A. S. MACMILLAN.

Q. No. 111.—A. Telegram from Ottawa signed by E. Hawken, to A. S. MacMillan, dated November 26th, 1927. (Reading):—

Wire sent to A. S. MacMillan, 91 Hollis Street, Halifax, N.S., on November 26th, 1927.

Wired you five thousand five hundred seventy nine dollars through Royal Bank to-day.

(Signed) E. HAWKEN.

Department of Marine and Fisheries.

Q. No. 112.—A. Another telegram from Ottawa, signed by A. Boyle to A. S. MacMillan. (Reading):

C.N.T.

OTTAWA, November 28, 1927.

A. S. MACMILLAN,
91 Hollis street,
Halifax, N.S.

O'Malley only returned to department this afternoon matter of overtime being looked into and will advise you by wire to-morrow.

A. BOYLE.

Charge Marine.

By Mr. Bell (Hamilton West):

Q. That is the same date.—A. No, that is the 28th of November.

By Mr. Ernst:

Q. No. 113.—A. There are two pages there.

Q. Yes, No. 113 and 114.—A. This is a telegram dated November 28, 1927, from MacMillan at Halifax to A. Boyle at Ottawa. (Reading):

HALIFAX, N.S., November 28, 1927.

A. BOYLE,

Chief Accountant,

Department of Marine and Fisheries,
Ottawa, Ontario.

Construction men returned from Hudson Straits demanding payment overtime due them by department. Major MacLean advised that overtime sheets prepared by Secretary O'Malley forwarded by Larch going back to Halifax. Major MacLean told Moriarity aboard Stanley that department would forward cheque covering full amount and men to

[Mr. A. Boyle.]

be paid here. Moriarity has copies of timesheets supplied by secretary of expedition up to leaving Wakehambay. Secretary O'Malley has overtime sheets covering time of men after Larch sailed. Forward funds to-day and authorize payment.

(Signed) A. S. MACMILLAN.

By Mr. Bothwell:

Q. Who is Moriarity?—A. One of MacMillan's men.

By Mr. Ernst:

Q. No. 115.—A. A telegram from MacMillan dated November 30, 1927, to A. Boyle, Ottawa. (Reading):

HALIFAX, N.S., November, 30, 1927.

A. BOYLE,
Chief Accountant,
Department of Marine and Fisheries,
Ottawa, Ontario.

When may we expect definite information *re* overtime. Men remaining at office and demanding time until settled in full.

(Signed) A. S. MACMILLAN,

Q. No. 116.—A. A letter from Ottawa dated November 30, 1927, signed by A. Boyle, to the manager of the Royal Bank of Canada. (Reading):

November 30, 1927.

SIR,—I enclose cheque No. B 11119 for five thousand two hundred and fifty-four dollars twenty-five cents (\$5,254.25) payable to the order of your bank for A. C. MacMillan, to be wired to your branch at Halifax, N.S. I enclose franked telegram blank for your use.

I am, sir,

Your obedient servant,

A. BOYLE,
Chief Accountant.

The Manager,
Royal Bank of Canada,
Ottawa.

Q. No. 117.—A. A telegram dated November 30th, 1927, signed by A. Boyle to A. S. MacMillan, Halifax. (Reading):

OTTAWA, November 30th, 1927.

A. S. MacMillan,
91 Hollis Street,
Halifax, N. S.

Wired you overtime pay five thousand two hundred fifty four dollars twenty five cents through Royal Bank to-day. Please obtain signatures of men for amounts of overtime paid to each and send to Department for vouchers.

A. BOYLE.

Charge Marine.

[Mr. A. Boyle.]

Q. No. 118.—A. A telegram from A. S. MacMillan Halifax, dated 1st December, 1927, to A. Boyle, (Reading):

HALIFAX, N.S., December 1, 1927.

A. Boyle,
Chief Accountant,
Department of Marine and Fisheries,
Ottawa, Ontario.

Moriarity working out overtime from sheets as per O'Malley's copies. On what rates did you figure various trades. Does the amount forwarded include percentage for handling busines. Wire reply.

A. S. MACMILLAN.

Q. No. 119 and 120 are the same. Please read them.—A. This is a letter from Ottawa dated December 1, 1927, to A. S. MacMillan, signed by A. Boyle. (Reading):

DECEMBER 1st 1927.

SIR,—With reference to your telegram of to-day's date and my wire in reply thereto regarding overtime pay of labour at Hudson Strait. I beg to inform you that our remittance of \$5,254.25 covers overtime sheets as follows:

Base A—Sept. 1-25, F. C. Campbell, etc., down to D. Moriarity.. . . .	\$ 495 91
" A—Oct. 1-3, D. Moriarity, etc., down to J. Robers.. . . .	87 76
" A—October, Geo. Keating, etc., down to S. Kelly.. . . .	346 13
" B—August, Ruben Butler, etc., down to D. Moriarity.. . . .	1,598 48
" B—August 18 to October 7, Ruben Butler, etc., down to W. Hilchie.. . . .	1,235 80
" C—August and September 1-10, B. M. Myers, etc., down to D. Moriarity	939 39
" C—Sept. 11—Oct. 9, D. Moriarity, etc., down to C. Mosher.. . . .	569 30
	<hr/>
	\$5,272 77
Paid by cheque 11119 (wired).. . . .	5,254 25
	<hr/>
Balance by cheque B.11176 herewith.. . . .	\$ 18 52

Errors in the first estimate accounted for the \$18.52 under-remitted and now paid by cheque herewith.

You will note that the hours shown on the above sheets are inclusive of time and one half and are extended at 80c., 70c., 55c and 50c., for foremen, carpenters, handymen and labourers respectively in accordance with the contract rates which include your overhead expenses. There was a later time sheet for October which was withheld by Mr. O'Malley as it appeared to be a duplication of part of the overtime in the previous sheets now paid. As Mr. O'Malley is out of town for a few days, I cannot give you any further details regarding the sheet withheld. You will also please note that the overtime for boss riggers and assistant riggers on

[Mr. A. Boyle.]

sheets 4 and 6 above listed has been deducted and was not included in my remittance. The riggers were engaged by the department and will be dealt with accordingly.

As requested in my wire dated November 30th will you please obtain receipts from each of your men for the overtime paid and forward same to the department as vouchers.

Also will you please submit your claim for the pay of men while on board ship returning from Hudson Strait.

I am, sir,

Your obedient servant,

A. BOYLE,
Chief Accountant.

Q. No. 121.—A. A telegram from Ottawa dated 1st of December, 1927, to A. S. MacMillan, Halifax, from A. Boyle. (Reading):

OTTAWA, December 1st, 1927.

A. S. MACMILLAN,
91 Hollis Street,
Halifax, N.S.

Overtime pay figured at eighty seventy fifty five and fifty cents per hour for foreman carpenters handymen and labourers respectively in accordance with contract rates. Riggers not included in money wired. O'Malley's sheets show gross overtime based on time and one half. One later sheet withheld by O'Malley who is out of town. Letter follows.

A. BOYLE.

Charge Marine.

Q. No. 122.—A. A letter from M. B. McLean, on board the "Stanley" dated the 3rd of October, 1927—

Mr. ERNST: I am sorry, Mr. Ilsley, that is somewhat out of the context. I overlooked it. It is dated the 3rd of October.

The WITNESS: It is to the chief accountant, Marine Branch, Ottawa. (Reading):

Hudson Straits Expedition,
C.G.S. Stanley, []
October 3rd, 1927.

SIR,—I beg to hand you herewith statement showing overtime for the construction crews as follows:

1. Overtime sheet for Base "B" for the month of August.
2. Overtime sheet for Base "C" for the month of August and up to 10th September, 1927.
3. Overtime sheets for Base "A" for the month of September—to the 25th—but I may say there has been no overtime since that date for this Base.

I am also forwarding under separate cover the time books prepared by Mr. Fuller, timekeeper, which show in detail the time worked by each man. The totals have been carefully checked and I think will be found correct.

[Mr. A. Boyle.]

I wish to state that overtime was figured as time and a half as per contract, e.g., where a man worked one hour it was entered in the time book as one and one-half hours and payment should be made on the actual time shown on the sheets.

I am, sir,

Yours very truly,

(Signed) N. B. McLEAN,

Officer-in-Charge, Hudson Straits Expedition.

The Chief Accountant,
Marine Branch,
Department of Marine & Fisheries,
Ottawa.

Mr. ERNST: Now, Mr. Ilesley, the next six or seven pages are time sheets and I see no useful purpose in putting them in.

Mr. ILSLEY: So far as I am concerned, they may be omitted.

Mr. ERNST: I think the correspondence pertinent, and I do not want to eliminate it for that reason. I know it is tiresome, but we are progressing. The latter part is all pertinent.

Mr. McDIARMID: Mr. MacMillan seems to have had difficulty in collecting his accounts from the Department.

Mr. BELL (*Hamilton*): I would like to be informed on this too. The correspondence down to a certain point speaks of procuring the signatures of the men to the amounts which were allowed them. If these time-sheets indicate that they have been verified by the men who worked, I for one would like to have them in.

Mr. ERNST: I have gone through the file and I cannot find any receipts or vouchers bearing the signatures of the men anywhere in the file.

Mr. ILSLEY: The department informs me that they satisfied themselves as to the amounts that were paid the men.

Mr. ERNST: It appears in the file later on, but not in the form of vouchers.

Mr. BELL (*Hamilton*): My only point was just that one, that is, if the time-sheets are verified by the men they ought to go on the file.

Mr. ILSLEY: Since that has been raised I think Mr. Boyle had better be asked about that.

Mr. ERNST: The point I believe that was raised by Mr. Bell is whether in response to the request of the department receipts from the men for the amounts paid them were forwarded by Mr. MacMillan, from the individual men?

The WITNESS: As far as the overtime is concerned, yes.

By Mr. Ernst:

Q. As to the ordinary rates of pay?—A. Yes, sir.

Q. From the men?—A. Mr. MacMillan paid the men.

Q. They are there?—A. Yes, sir.

Mr. BELL (*Hamilton*): We ought to have those on the records somewhere.

By Mr. Ernst:

Q. That is for the overtime, but I mean for the ordinary work?—A. No; we are not concerned with that.

[Mr. A. Boyle.]

By Mr. Ilesley:

Q. You did satisfy yourself that certain amounts were paid, I mean for over-time and also for the transportation period?—A. For the overtime only.

Q. Not for the transportation period?—A. No, sir, but I got receipts from MacMillan for the overtime that he paid the men. I have got the signatures of the men.

By Mr. Ernst:

Q. 128?—A. This is a letter from N. B. McLean on the Stanley, dated October 10th, 1929, to the chief accountant:

I beg to hand you herewith summary of overtime taken from time books for the construction crew of the A. S. MacMillan Co. from the 18th August until 7th October, 1927, duly certified to by myself and Mr. Lefebvre, for Base "B"—Nottingham Island.

The time sheets are also enclosed.

Q. 129?—A. This is another letter from Mr. McLean, on board the Stanley, to the chief accountant, dated October 11th, 1927:

I beg to hand you herewith statement of overtime as taken from the time books for the construction crew at Base "C" for the period 11th September to 9th October, 1927. This is the final statement for overtime from this Base.

Q. 130?—A. This is another letter from Mr. McLean, on board the Stanley, to the chief accountant, dated 11th October, 1927:

I beg to hand you herewith statement of overtime as taken from the time books for construction crew (stevedoring gang) from the 1st to 3rd October, 1927.

The overtime for the shore gang of the construction crew at Base "A" from 1st October until such times as they leave for Halifax will be certified by Mr. Ralph Isnor, inspector of construction, and Mr. A. S. Fuller, storekeeper at that Base.

Mr. ERNST: 131 and 132 are duplicates of each other.

Mr. ILSLEY: I have left out a large number of these letters, because I did not think they had any bearing.

By Mr. Ernst:

Q. 131?—A. This is a copy of an account from MacMillan, dated Halifax, December 3, 1927:

Department of Marine and Fisheries,
Ottawa, Canada.

In Account with

A. S. MACMILLAN.

Time for completion of contract until men landed in Halifax, October 18th, to November 28th, incl., men returned to Quebec, P.Q., by C.G.S. Stanley, from Quebec to Halifax via C.N.R.

1 superintendent, 36 days at \$8..	\$ 288 00
1 foreman, 36 days at \$8..	288 00
7 carpenters, 36 days each at \$7..	1,764 00
3 handymen, 36 days each at \$5.50..	594 00
1 labourer, 36 days at \$5..	180 00
	<hr/>
	\$3,114 00
Plus 15 per cent handling charges..	467 10
Amount due..	<hr/>
	\$3,581 10

[Mr. A. Boyle.]

Q. 133?—A. This is a copy of an account from MacMillan, dated Halifax, December 3, 1927, to the department:

Sailing time of the S. S. Larch from Port Burwell to Halifax, October 18th to October 24th, incl.:

2 foremen, 6 days each, \$8..	\$ 96 00
8 carpenters, 6 days each, \$7..	336 00
11 handymen, 6 days each, \$5.50..	363 00
10 labourers, 6 days each, \$5..	300 00
<hr/>	
Total..	\$1,095 00
15 per cent handling charges..	163 82
<hr/>	
Amount due..	\$1,258 82

Q. 135?—A. This is a copy of an account from MacMillan to the Department:

Hudson Straits Erection Contract—Time from Halifax to Nottingham Island, July 16 to Aug 3 incl.:

1 superintendent, 16 days at \$8..	\$ 128 00
3 foremen, 16 days each at \$8..	384 00
16 carpenters, 16 days each at \$7..	1,680 00
15 handymen, 16 days each at \$5.50..	1,320 00
12 labourers, 16 days each at \$5..	960 00
<hr/>	
Total amount..	\$4,472 00
15 per cent handling..	670 80
<hr/>	
	\$5,142 80

Q. 140?—A. This is a letter signed by A. Boyle, dated Ottawa, 7th December, 1927, to A. S. MacMillan, Halifax:

I enclose cheque No. B-11313, amounting to thirty-five dollars and seventy cents (\$35.70) in favour of Samuel Newell, and cheque No. B-11314, amounting to fifty-one dollars (\$51.00) in favour of Paul Hold, being in payment for overtime worked at Base "A" Hudson Strait Expedition. Kindly have same handed to payees.

Q. 142?—A. This is a letter from A. Boyle to MacMillan, dated 12th December, 1927:

I enclose herewith overtime sheets for 4th September at Wakeham Bay, and 25th September at Port Burwell. These have been disallowed, as stated in my letter of the 1st instant, because the overtime claimed is included in the regular September overtime sheets, which were paid to you in our remittance by wire amounting to \$5,254.25.

Q. 143?—A. This is a letter dated 14th December, 1927, to A. S. MacMillan:

In connection with the payment of your men while returning to Halifax, after completion of the work at Port Burwell, etc., will you please let me have a list, in duplicate, showing names and rating (foremen, carpenters, etc.) of the men who returned on the Larch, and a similar list of the men who returned on the Stanley.

[Mr. A. Boyle.]

Also, will you please let me have a final account, in duplicate, summarizing the total amount claimed on your contract, less the amounts which have been paid to you.

I have not yet received from you the receipts for the overtime payments to the men. Will you also please forward these receipts.

I am, Sir,

Your obedient servant.

Chief Accountant—Marine.

Q. 144?—A. A memorandum dated the 28th December, 1927, from A. Boyle to N. B. McLean:

I enclose an account of A. S. MacMillan, amounting to \$6,393.23, for overtime wages of men at Hudson Strait. This is in excess of the time sheets originally submitted by you, and paid by cheques Nos. B-11119 and B-11476. The excess is made up of \$286.56 more overtime claimed, and \$833.90 for 15 per cent profit claimed by the contractor. Will you please advise me regarding these charges.

Mr. THORSON: Are there any particulars of those overtime charges attached to that memo?

Mr. ERNST: I might say, Mr. Thorson, if it will help any, that there is no question of the time record. I believe the only dispute between the department and MacMillan is something like fifteen or twenty dollars, a duplication, and I do not want to take up the time of the Committee over it. We are not disputing the correctness of the time sheets.

By Mr. Ernst:

Q. 145?—A. This is a memorandum signed by J. R. O'Malley, to the Chief Accountant, dated 30th December, 1927:

Referring to your memorandum of the 28th instant regarding overtime claimed by the A. S. MacMillan Construction Company, Halifax, re Hudson Straits Contract:

I have very carefully looked into the statement attached and have to inform you that the overtime sheets as submitted and approved by Mr. McLean are correct. The extra hours claimed appear to be those which were given on a statement signed by Mr. Fuller and Mr. Moriarity for work at Port Burwell (Base "A") and which had already been included, and which was returned by you to Mr. MacMillan.

With regard to the 15 per cent profit claimed, I cannot find anything in the schedule attached to the contract which would cover this claim.

By Mr. Beaubien:

Q. Who is Mr. Fuller?—A. He was one of the storemen and timekeeper up at one of the bases.

By Mr. Pouliot:

Q. Is he related to Mr. Fuller of the Architects' Branch?—A. No, sir.

By Mr. Ernst:

Q. 146?—A. This is a letter signed by A. Boyle to A. S. MacMillan, Halifax, dated 30th December, 1927:

I beg to acknowledge the receipt of your letter, of the 20th instant, enclosing your claim, amounting to \$6,393.23, for overtime of men employed at Hudson Strait.

[Mr. A. Boyle.]

This is in excess of the original overtime sheets, signed by Mr. McLean and by your foreman, Dennis Moriarity. The difference is in part made up of the extra time sheets for Wakeham Bay and Port Burwell, which were found to be a duplication of part of the regular September sheets, and which were returned to you with my letter of the 12th instant. Same have been disallowed for the reason stated.

As for the 15 per cent profit on the gross amount of overtime, I beg to advise you that I can find no clause in the contract which would permit that this percentage be paid to you. The \$5,272.77 paid you by cheques Nos. B-11119 and B-11476 completes payment for all overtime shown on the Department's records.

Q. 161? There are a lot of time-sheets between 149 and 159?—A. This is a letter from Halifax, dated January 3rd, 1928, from A. S. MacMillan to the Department of Marine and Fisheries, for the attention of A. Boyle, Chief Accountant:

I have your letter of the 30th regarding amount to be paid for overtime. I may say that the overtime was made up and paid to the men according to time sheets supplied by Mr. O'Malley and signed by yours Messrs. Fuller, Defray and Lemeux. I have these time sheets on file in my office and I am sending you copies of same. I am also enclosing a statement from your timekeeper, Mr. Fuller, supplying the names that were omitted from the original sheets which were forwarded me, from Base "A", Sept. 4th, and Base "C" September 25th. These correspond with Mr. Moriarity's time sheets and from these the pay roll was made up.

I paid the men in full before I received any notification from you with respect to this matter, and do not feel, even if a mistake was made by your timekeeper, that I should be obliged to go and hunt up these men and try and get a refund of the money already paid them. I am afraid I would have a nice time and nothing for it.

I also find that your Mr. Fuller gave the men signed time slips for all overtime, so that even if we did not have time sheets made out by your timekeeper and submitted to me I would be obliged to pay on the time slips handed each man by your official timekeeper.

Now with regard to the 15 per cent, I forwarded you receipts from the men showing the amount paid each man and the rate at which the time was made up. Possibly I should not have paid them when I did, but when you get 46 men with their families storming your office and threatening all kinds of things if they are not paid immediately, there was not very much else I could do but pay them in full.

I may also say that had it not been for the fact that your representative had shown the men the rate of wages that your Department was paying them for overtime, I might have been able to have kept back the percentage to pay for my overhead and office, but due to the fact which I have just mentioned I was obliged to pay the men the rate your representative told them they would be paid for overtime.

If your Department feel that I should do this work without any remuneration, that I should pay out my own money and wait indefinitely for my pay, then I am satisfied to let it go at that. I only want to be treated fairly in this matter and not out of pocket any money.

While the matter may not be clear in the contract, the very fact that your representative told the men what wages they would be paid for overtime, placed me in the position where I was obliged to pay them at the rate submitted.

I should like to have your decision on this matter at once, as I shall be obliged to take it up with the deputy minister, but would prefer to make settlement without being obliged to go to the fountain head.

By Mr. Pouliot:

Q. Where were these forty-six men storming the office?—A. In Halifax.

Q. Halifax men?—A. Yes.

The CHAIRMAN: They were the labourers on the work, Mr. Pouliot.

Mr. POULIOT: Have you got their names?

Mr. ERNST: Yes, they are on the record.

Mr. Chairman, it is one o'clock, and I was going to move that we ask the permisison of the House to sit while the House is in session, and that we subsequently hold a session this afternoon to complete this file, otherwise it will mean that Mr. MacMillan will be held here another day. Unless we can get through the file to-day so as to get on with something else to-morrow we will make very little progress. I would therefore, move that we ask leave of the House to sit while the House is in session, and that we sit this afternoon at four o'clock. I think that we can complete the file in an hour or an hour and a half.

Mr. POULIOT: Is it understood then that it is just to complete the reading of the file?

Mr. ERNST: Yes.

The CHAIRMAN: We will have to get the unanimous consent of the House for the concurrence.

The witness retired.

The Committee adjourned to meet at four o'clock.

AFTERNOON SESSION

The Committee resumed at 4 p.m., Mr. Jacobs in the Chair.

The CHAIRMAN: Order, gentlemen! Mr. Boyle will continue reading these letters and telegrams, Mr. Ernst?

Mr. ERNST: Yes. It is understood that we shall just read the record and nothing more. We had reached No. 163, Mr. Boyle.

WITNESS: This is a letter dated Halifax, December 29, 1927, from A. S. MacMillan to the Department of Marine and Fisheries.

DEAR SIR,—Referring to your letter of December 7, I enclose herewith receipted invoices covering extra material as per your letter.

Yours truly,

(Signed) E. J. WALKER.

Mr. ERNST: We are not interested in that. No. 163 now.

WITNESS: This is a short wave wireless message to Flight-Lieut. Lawrence from Boyle, Ottawa, 10th January, 1928:

Contractor MacMillan claims following men each worked fifteen hours overtime Base C fourth September William Smarden, William Mayo, G. Hennessy, Geo. McKay, Angus Henderson, James Belmore, G. R. Campbell, William Irons, Norman Brady, Chas. Savage Stop These names not entered in Fuller's original timebook said date please

[Mr. A. Boyle.]

enquire Fuller if MacMillan's claim correct and if so why not entered in timebook Stop Advise soon as possible.

Mr. ERNST: 164?

WITNESS: This is another short wave wireless message to Flight-Lieut. Lawrence, from Boyle, Ottawa, 10th January, 1928.

Contractor MacMillan claims George R. Campbell worked ten hours overtime Base A twenty-fifth September Stop this man not entered in Fuller's original timebook said date please enquire Fuller if claims correct and if so why not entered in timebook Stop advise soon as possible.

Mr. ERNST: 165?

The WITNESS: This is a letter from A. Boyle, Chief Accountant, to Mr. A. S. MacMillan, dated January 11, 1928.

SIR,—I beg to acknowledge receipt of your letter dated January 3 regarding overtime. The matter is being looked into and you will be further advised regarding same in course of a few days. In the meantime could you let me have an account in duplicate duly detailed, summarizing the total amounts claimed by you for wages of men en route to and from Hudson Strait, total amount claimed for 75-day contract period and total amount of overtime.

Also please show thereon the amounts paid by the Department to you, leaving the total balance due.

Yours truly,

A. BOYLE,
Chief Accountant.

Mr. ERNST: 166?

The WITNESS: This is a telegram from A. S. MacMillan, Halifax, to A. Johnson, Deputy Minister of Marine and Fisheries, dated January 11, 1928.

Is there any possible change get settled Hudson Straits contract see correspondence with Boyle and McLean advise.

Mr. ERNST: 167?

The WITNESS: This is a telegram from A. Johnston, Deputy Minister, Ottawa, 14th January, 1928, to A. S. MacMillan.

Regret exceedingly have been unable to make any progress in the way of securing funds to pay your accounts STOP Am continuing to press this matter. Fully appreciate how important to you it is.

Mr. ERNST: 168?

Mr. ILSLEY: 167 is not material. You want to put them all in?

Mr. ERNST: I want to put them all in.

Mr. ILSLEY: This is a statement.

Mr. ERNST: I believe it is MacMillan's statement to the Department, or should be.

The WITNESS: Reading:—

STATEMENT

DEPARTMENT OF MARINE AND FISHERIES

In account with A. S. MacMillan:

	Dr.	Cr.
July 7th—Contract..	\$ 29,463 00	
September 23rd—Extra material skidways.. . . .	145 92	
September 23rd—Extra moving material—Shed Number 22..	525 48	
September 23rd—Extra painting bundles.. . . .	5,307 05	
December 3rd—Men going via S.S. Larch.. . . .	5,310 50	
December 3rd—Men returning via S.S. Larch.. . . .	1,297 50	
December 3rd—Extra time over the 75 day period plus 15 per cent..	2,387 40	
December 3rd—Men returning via C.G.S. Stanley.. . . .	1,557 00	
December 3rd—Overtime paid men..	6,393 23	
December 17th—Merchandise supplied Department.. . . .	106 80	
December 17th—Merchandise supplied E. Dorey cook..	16 20	
December 8th—Merchandise supplied A. S. Fuller.. . . .	54 05	

Credits

August 20th—Cheque..	\$ 4,192 50
August 29th—Cheque..	4,714 08
September 27th—Cheque..	3,322 40
October 1st—Money wired Bank of Montreal.. . . .	8,556 99
October 25th—Money wired Royal Bank..	5,895 74
November 26th—Money wired Royal Bank..	5,579 03
December 1st—Money wired Royal Bank..	5,254 25
December 5th—Cheque..	18 52
December 10th—Cheque..	145 92
December 20th—Cheque..	54 05

Balance due—\$14,830.65.

\$ 52,564 13 \$ 37,733 48

By Mr. Ernst:

Q. Have you the total debits and credits there, Mr. Boyle?—A. Yes.

Q. Will you give us the balance?—A. Debits—\$52,564.13, credits—\$37,733.48, balance due—\$14,830.65.

Mr. ILSLEY: Just at that point, does that not include—

Mr. ERNST: It is obvious. I am willing to reserve comments.

Mr. ILSLEY: This is proper comment, to make at this stage; we are supposed to be dealing with the labour contract, and it would leave a wrong impression to say that this refers to both contracts.

Mr. ERNST: It relates to extras, to painting, to moving materials from the sheds, and some small supplies, apart from the labour contract.

Mr. ILSLEY: Would the witness mind saying something about that?

Mr. ERNST: It is not labour.

Mr. ILSLEY: I thought that this related to the contract for labour materials—or does it?

Mr. ERNST: Transferring materials, and painting. It is an extra.

Mr. ILSLEY: I was just asking whether that account relates to labour alone, or to something else.

The WITNESS: There are some extras, such as supplies given to E. Dorey, a cook, and to the timekeeper.

Mr. ARTHURS: That only amounts to about \$16.

The WITNESS: And to A. S. Fuller \$54.05.

Mr. ILSLEY: That is all. I do not want to interrupt, or to hold the thing up, or to make any point, only to keep it straight. We are supposed to be

[Mr. A. Boyle.]

speaking about the labour contract only, but when another element comes into it, I think we should point it out.

The WITNESS: There is some moving of materials from one shed to another, and then there are some things—bundles.

Mr. ERNST: Which is classed as "extras".

Mr. ILSLEY: The question is answered, as far as I am concerned.

Mr. ERNST: Page 170, Mr. Boyle.

The WITNESS: This is a letter from A. S. MacMillan, to the Department of Marine and Fisheries, attention A. Boyle, Chief Accountant, dated January 24th, 1928.

DEAR SIR,—As requested in your letter of the 11th inst., I am enclosing herewith, statement of work under the Hudson Straits Erection Contract. The balance due me is \$14,830.65 which I trust you will find in order, and that a cheque will be forthcoming at once. Everything is in accordance with my interpretation of the Contract.

I also enclose statement of time of men employed in stevedoring, which was not according to the terms of the Contract, see paragraph 1, Detailed Schedule of Condition of Agreement from which you will note that my men were to assist only in unloading, landing and transporting the materials for the buildings which I undertook to erect insofar as it did not interfere with the construction. If my men had not been used for purposes other than my contract there would have been no overtime.

I am enclosing this statement in order that you may see that my position is absolutely fair and that I am not asking for more than what I believe I am entitled to.

Yours truly,

(Signed) A. S. MACMILLAN.

By Mr. Ernst:

Q. Page 171. What was the enclosure in that letter, or is that to be found? I could not find it.—A. We might get it.

Q. Would you go on and read 171 in the meantime, Memorandum by Mr. McLean to the chief accountant?—A. This is a memorandum to the chief accountant, under date of Ottawa, 26th January, 1928, from N. B. McLean, officer-in-charge:—

With regard to the accounts for wages of men going to and from the Hudson Straits, the one for the period July 16th to August 3rd, is correct, but the amount payable is \$4,472.00, not \$5,152.80, as according to the terms of the contract the 15 per cent claimed for "handling" cannot be allowed. The one for the period October 18th to October 24th is correct, the amount payable is \$1,095.50, not \$1,259.32, the 15 per cent is deducted in this case also.

With regard to the one submitted for the period "October 18th to November 18th", this should read "October 29th to November 26th". In this connection I beg to draw your attention to the following—The contract date began August 4th and continued until October 28th—a total of 86 days, but Sundays and holidays must be excluded—13 days in all—leaving 73 days as the contract period. The department is therefore responsible for the period October 29th to November 26th (the day the men arrived in Halifax), a total of 29 days—less 4 Sundays—25 days in all, and the account should be altered to read accordingly.

I have asked the Deputy Minister for a ruling as to the deductions re the contract period and the deductions re the 15 per cent added by Mr. MacMillan.

[Mr. A. Boyle.]

By Hon. Mr. Manion:

Q. From whom is that?—A. That is from Mr. McLean to me.

Q. Now, the schedule attached to the last letter.—A. This is the statement which accompanied this letter of the 24th January from Mr. MacMillan.

By Mr. Ernst:

Q. And you read the statement?—A. Yes, that is 169.

By Hon. Mr. Manion:

Q. And the schedule which accompanied the letter?—A. I read the schedule before reading the letter.

By Mr. Ernst:

Q. 172, the memorandum from Mr. McLean to the Deputy Minister?—A. A memorandum dated Ottawa, 26th January, 1928, from N. B. McLean to the Deputy Minister:—

In connection with the contract with Mr. A. S. MacMillan for labour at Hudson Strait, it should be noted that Mr. MacMillan is claiming payment for certain charges which are although not in accordance with the strict letter of the contract are nevertheless partly justified by the conditions under which the work was performed.

For instance the contract was completed in 73 days, being two days within the contract period, and according to the contract two-seventy-fifths of the contract price is deductible. As, however, I had required the men to work overtime and on Sundays and holidays, and as it was feared that if full advantage was not taken of every day the weather would become so severe as to proclude the return of the men to Halifax, especially from Nottingham island, I am of the opinion that he should be paid the full amount of the contract price, viz., \$29,463.00. The fact that the men worked on Sundays and holidays reduced the number of days on which the contract was completed.

Mr. MacMillan is also claiming 15 per cent of the gross wages of men going to and from the Straits based on the daily wage scale laid down in the Contract, but as the Contract specifies that the said rates of wages are "inclusive of profits and all expenses in connection with the work," I do not think that his claim is justified. Mr. MacMillan has, however, paid the men at the contract rates without retaining a percentage to cover his overhead expenses. He also followed the same procedure with the men's overtime wages and now claims 15 per cent over and above the contract rates.

Before deducting either the two days mentioned in par. 2 above or the 15 per cent on wages en route and the 15 per cent on overtime, I beg to submit the matter to your attention for a decision as to what deductions, if any, should be made.

Respectfully submitted,

(Sgd.) N. B. McLEAN.

Q. Page 173.—A. This is a letter from Mr. J. B. A. Boudreau, Assistant Accountant, dated January 28, 1928, to A. S. MacMillan, Halifax:

SIR: As requested in your letter of recent date, I beg to enclose a statement of the amounts outstanding on your contract for the supply of labour at Hudson Strait.

There are no funds at present available for the payment of these charges but as soon as further funds become available same will be promptly paid.

[Mr. A. Boyle.]

You will note that the 15 per cent for overhead has been struck off as the Deputy Minister has ruled that the conditions of the contract must be adhered to.

I also enclose a statement of accounts for painting etc., which are in abeyance pending a decision of the Departmental Purchasing Agent.

I am, Sir,

Your obedient servant,

Q. 174.—A. That will be 174 and 175?

Q. Yes, two pages.—A. This is a letter signed by E. Hawken, Assistant Deputy Minister, dated Ottawa, 1st February, 1928, to A. S. MacMillan, Halifax:

With reference to your letter of the 24th ultimo enclosing statement of summarized claims for labour, etc., at Hudson Strait, I beg to inform you as follows:

Item	Amount	Remarks
(1) Contract.. . . .	\$29,463 00	Paid \$28,068.24—Balance due \$1,374.76.
(2) Extra material.. . . .	145 92	Paid in full.
(3) Moving material.. . . .	525 48	Matter under consideration by Purchasing and Contract Branch.
(4) Painting bundles.. . . .	5,307 05	Matter under consideration by Purchasing and Contract Branch.
(5) Men going by Larch..	5,310 50	Your account was rendered for \$5,142.80— from which the 15 per cent profit is deductible being disallowed. Also progress payment \$4,192 leaving balance of \$280.00.
(6) Men returning by Larch	1,297 50	Your account was rendered for \$1,259.32— from which the \$163.82 or 15 per cent profit is deductible being disallowed, leaving balance due of \$1,095.50.
(7) Men returning by Stanley.. . . .	1,557 00	Your bill was rendered for \$3,581.10 being for 13 men for 36 days. This was reduced to 13 men for 25 days, 29th Oct. to 26 Nov.—\$837.50. The 15 per cent profit amounting to \$467.10 has been disallowed and deducted. Net amount due on this item—\$837.50.
(8) Extra time over 75 days paid.. . . .	21,387 40	According to Departmental reports the time worked on contract period amounted to less than 75 working days. This item not understood.
(9) Overtime.. . . .	6,393 23	Overtime sheets approved by Departmental officers total \$5,370.52 of which \$5,272.77 has been paid, leaving a balance due \$97.75. No 15 per cent profit is allowable as the Contract rates paid to you include your profit and overhead see my letter dated 19th Jan.
(10) Merchandise supplied Department.. . . .	106 80	Please render detailed account in duplicate.
(11) Merchandise supplied E. Dorey.. . . .	16 20	Please render detailed account in duplicate.
(12) Merchandise supplied A. S. Fuller.. . . .	54 05	Please render detailed account in duplicate.

In the case of items 5, 6, 7, and 9, above, on all of which you claim 15 per cent profit, I beg to advise that the Deputy Minister has ruled that the terms of the contract must be adhered to, and the additional 15 per cent profit cannot, therefore, be allowed.

In regard to Item 8 above, will you please explain, quoting dates of contract, period, just what this charge means.

[Mr. A. Boyle.]

Q. Now page 176. Perhaps you had better read the letter 177, first, as 176 is attached to it.—A. That will be 180, and the enclosure, and reads as follows:— This is a letter from Mr. A. S. MacMillan, Halifax, to the Department of Marine and Fisheries, Ottawa,—

Attention Mr. A. Boyle, Chief Accountant

Dear Sir: Replying to your letter of recent date, enclosing copy of statement made out, showing balance due me according to your information. Let me point out to you that this is not my understanding of the Contract and it certainly is not my interpretation of certain clauses in the contract.

According to my books which are in accordance with my understanding of the contract with the department, the balance you owe me under same and for over-time authorized by your Major MacLean is \$14,810.65.

First with respect to the men's time going up on the Larch which was to be paid by your department over and above the amount of the contract, there may be a discrepancy as to the days. You are aware that I was advised the Larch would sail on a certain date. I ordered them in here and as a matter of fact they were here two days before the boat sailed, and having ordered them in I was under obligation to pay them regardless of when the Larch sailed.

The men started working under my contract on the 4th day of August and completed the 75-day period on the 18th day of October. The rate of wages applied to the men going up from the 16th of July to the 3rd of August, inclusive, and also from the 19th day of October to the date on which the Larch arrived in Halifax and the men were paid off, which was the 25th day of October, as set forth in clauses 7 and 8 of the contract.

The men who remained until the Stanley returned started on extra time on the 19th of October, and continued until the 11th day of November, at the rate set forth in Clause 8, plus 15 per cent according to the terms set forth in Clause 12 as follows:—

Should it be found impracticable or impossible due to unforeseen or unknown causes, which in the absence of the necessary information make it impossible to estimate or determine upon, to erect any part of the stations within the 75-day period fixed by the department, the contractor may, at the discretion of the officer in charge be required to complete the work on a cost plus basis, the percentage to be paid the contractor to be not more than 15 per cent of the cost of completing such work.

The time from the above date (November 11), which was the date of sailing of the Stanley, until the men arrived in Halifax, we have charged you the regular rate set forth in paragraph 8, without any percentage.

Now with regard to overtime you understand that same was authorized by your Major MacLean, and time was kept by Fuller and O'Malley for the department, and D. Moriarty for myself, our overtime being made out from time sheets signed by your time keepers, and the men were paid under instructions from you, based on telegram received from you dated December 1, as follows:—

Overtime pay figured 80, 70, 55 and 50 cents per hour, foremen, carpenters, handymen, labourers, respectively.

[Mr. A. Boyle.]

Your representative on the job showed the men the figures and advised them that they would be paid these rates. Hence my reason for asking your authority to pay them these rates before settlement was made, and payment was made as I have already said, under instructions contained in your telegram, the vouchers of each man being forwarded to you. Therefore there is no reason why I should not be paid 15 per cent on the amounts of overtime paid as well as on the amount for extra work, reference to clause 12, which I have just quoted.

Allow me to point out that any extra work authorized by your department would not have been necessary had my construction men been allowed to carry on according to the terms of the contract. Please note paragraph 1, in the contract which reads as follows:—

1. Assist as directed by the officer in charge, in the unloading, landing and transporting of material for the said buildings, etc., in so far as it does not interfere with progress of construction of the buildings.

All I was under obligation to do according to the foregoing clause was to assist in the landing of the building materials and I think you will find that it is a fact that practically all the work done in connection with the landing was done by my men.

Allow me to point out that at least seven of my men never did one hour's work for me during the whole time the Expedition was up there. They were employed mainly in unloading general cargo and coaling other boats, which certainly was not part of my work. In addition to these seven men who never did anything for me, due to the fact that stevedores for unloading cargo were not provided, a number of other members of my construction crew were employed under the direction of Major MacLean for the purpose of unloading general cargo. If stevedores had been supplied by the Department there would have been no extra time on construction.

I am enclosing a time sheet showing the amount of work which was performed by my men which was not necessary under my contract or agreement. This amount \$ I have never rendered any account for this work, but in view of the delay in settling this matter, and the apparent misunderstanding with reference to clauses 7, 8, and 12 of the Contract, I feel justified in doing so.

Now regarding the painting of the bundles on which I was asked to submit a price, reference your chief Engineer's letter of April 28, wherein Mr. Cote asked me to submit a price, and referring to my letter of May 11, in which I estimated the cost of doing this work at 50 cents per bundle. After I submitted this estimate I did not hear from Mr. Cote, and referring again to Mr. Cote's letter of April 28 you will note that he requested me to do this work, which was necessary to do before the loading started. We kept a fairly accurate cost of doing this work and found that it was done at a lower price than which I estimated. I may say, that before undertaking to do this work I asked a local painter in the city who has a very large business, what the cost of doing this work would be, and he told me that it could not be done less than \$1.00 a bundle. However, the costs that we kept were very much less than my own estimate, and I submitted the bill along these lines, 35 cents per bundle. Under these circumstances why there should be any delay in passing the account is beyond my understanding.

Now with regard to the piling of the material I think that when I was in your office and met the Chief Engineer there, that he stated very definitely that my contract was to deliver the material in or at the sheds.

[Mr. A. Boyle.]

This I did. Then it was necessary to pile this material in another portion of the shed, in some cases more than 1,000 feet from where it was landed, and in some cases 12 feet high, and I only charged you one-half my payrolls for doing this work.

I trust that this explanation will be all that is necessary, and that the matter will be closed out without any further delay.

July 7, 1927 Contract.. . . .	\$29,463 00	
Progress Payments.. . . .	28,068 24	
<hr/>		
Balance due on Contract.. . . .		\$ 1,394 76
Men going on Larch.. . . .	5,310 50	
August 20th.. . . .	4,192 50	
<hr/>		
Balance due.. . . .		1,118 00
Wages men returning via Larch.		1,277 50
Wages men returning via Stanley.		1,577 00
Overtime paid men.. . . .	6,393 23	
Amount Cheques received .. .	5,272 77	
<hr/>		
Balance due.. . . .		1,120 46
STATEMENT OF EXTRAS		
Extra material skidways.. . . .	145 92	
By cheque.. . . .	145 92	
<hr/>		
Moving Materials shed No. 22..	525 48	525 48
Painting Bundles.. . . .	5,307 05	5,307 05
Extra time over and above 75 day period of contract. Plus 15 per cent in accordance with clause 12 of Speci.	2,387 40	2,387 40
Mdse. Supplied Dept..	106 80	106 80
Mdse. Supplied A. S. Fuller.. .	54 05	
By cheque.. . . .	54 05	
<hr/>		
Mdse. Supplied E. Dorey, Cook..	16 20	16 20
<hr/>		
Balance due A. S. MacMillan..		\$14,810 65
<hr/>		

Q. 181?—A. This is a statement from MacMillan:

July 7, 1927 Contract.. . . .	\$29,463 00	
Progress payments.. . . .	28,068 24	
<hr/>		
Balance due on contract.. . . .		\$ 1,394 76
Men going on Larch.. . . .	5,310 50	
August 20.. . . .	4,192 50	
<hr/>		
Balance due.. . . .		1,118 00
Wages men returning via Larch.		1,277 50
Wages men returning via Stanley.		1,557 00
Overtime paid men.. . . .	6,393 23	
Amount Cheques received.. . . .	5,272 77	
<hr/>		
Balance due.. . . .		1,120 46

[Mr. A. Boyle.]

STATEMENT OF EXTRAS

Extra material skidways.. . . .	145 92	
By Cheque.. . . .	145 92	
Moving materials shed No. 22..	525 48	525 48
Painting Bundles.. . . .	5,307 05	5,307 05
Extra time over and above 75 day period of contract, plus 15 per cent in accordance with clause 12 of Speci.. . .	2,387 40	2,387 40
Mdse. Supplied Dept.. . . .	106 80	106 80
Mdse. Supplied A. S. Fuller.. . .	54 05	
By cheque.. . . .	54 05	
Mdse. Supplied E. Dorey, Cook..	16 20	16 20
Balance due A. S. MacMillan..		\$14,810 65

Q. 186?—A. This is a letter from MacMillan dated 2nd February, 1928, to the Department of Marine and Fisheries:

I seem to have a great deal of trouble in getting settled up with respect to the Hudson Bay Contract. I have to-day written a letter to your Mr. Boyle, and I am enclosing for your information a copy of same.

I trust that so far as I am concerned I gave you satisfaction in the carrying out of this contract in every respect, and you will note that I did a great deal of work that was not according to my contract.

I only wish to be treated fairly in this matter and I am not looking for anything that I am not entitled to.

Will you kindly give this matter your attention in order that same may be settled as soon as possible.

Q. 187, your own memorandum?—A. Memorandum signed by A. Boyle, dated 27th January, 1928:

Amounts owing by the Department of Marine and Fisheries to A. S. MacMillan, 91 Hollis Street, Halifax, in connection with a contract for supplying labour at Hudson Strait:

Amount of Contract.. . . .	\$29,463 00	
Less progress payments.. . . .	28,068 24	\$ 1,394 76
Wages of men en route to Strait.	4,472 00	
Less paid by cheque B-6093.. . .	4,192 00	280 00
Wages of men returning on S.S. Larch.. . . .		1,095 50
Wages of men returning on C.G.S. Stanley.. . . .		2,162 50
Overtime at Base "C", 4th September.. . . .	92 25	
Overtime at Base "A" 25th September.. . . .	5 50	97 75
Amount due.. . . .		\$ 5,030 51

Q. 188, your memorandum to the Deputy Minister?—A. And 189.

[Mr. A. Boyle.]

Q. Yes, two sheets?—A. This is a memo. signed by A. Boyle, dated February 9th, 1928:

With reference to Mr. MacMillan's letter dated Feb. 2nd, file 1-8-4 herewith, I beg to report as follows:

1. The balance of the net contract price is correct as claimed viz.: \$1,394.76.

2. For wages en route to the Strait, Mr. MacMillan on Dec. 3rd submitted an account amounting to \$4,472 plus 15 per cent. The 15 per cent is not in accordance with contract and was disallowed by your notation on Mr. McLean's memorandum dated Jan. 26th. The \$4,472 covers a period of 16 days including the day prior to the sailing of the *Larch* and is correct. With the progress payment thereon deducted the balance due is \$280.

3. For wages of men returning on the *Larch*, Mr. MacMillan on Dec. 3rd submitted an account amounting to \$1,095 plus 15 per cent. The 15 per cent is disallowed for reason stated in para. 2 above. The \$1,095.50 covers a period of 6 days from the date of sailing from Port Burwell to date of arrival at Halifax and is correct, the amount due being therefore \$1,095.50.

4. For wages of men returning on the *Stanley*, Mr. MacMillan on Dec. 3rd submitted an account amounting to \$3,114 plus 15 per cent. The 15 per cent was disallowed as stated above.

The \$3,114 covered a period of 36 days from Oct. 18th to Nov. 28th, but Mr. McLean has advised me in his memo. to me dated Jan. 26th the dates should read Oct. 29th to Nov. 26th. This makes 25 working days and reduces the account to \$2,162.50 which is correct and is the amount due.

5. As regards the overtime Mr. MacMillan is claiming \$6,393.23 which includes 15 per cent profit. The 15 per cent has been disallowed as stated above. Also included therein are claims for overtime of a number of workmen at Wakeham Bay and Port Burwell on Sept. 25th which are a duplication of overtime sheets previously paid. Mr. MacMillan appears to have paid his men twice for overtime on Sept. 25th.

The total amount due in accordance with time sheets prepared by the Department's timekeeper is \$5,370.52 of which \$5,272.77 has been paid, leaving a balance of \$97.75.

6. As for Mr. MacMillan's claim for \$2,387.40 for wages over the 75 day period, I find that there were only 73 actual working days during the contract period, as confirmed by Mr. McLean.

7. To sum up there is a net balance due under all points of the contract of \$5,030.51 as per attached sheet.

By Mr. Ernst:

Q. No. 193. There are some time sheets in there which we can ignore.—A. That is a letter from Mr. MacMillan at Halifax to the Department, attention of A. Boyle, Chief Accountant, dated March 2nd, 1928. (Reading):

91 Hollis Street, Halifax, N.S.,
March 2, 1928.

Department of Marine and Fisheries,
Ottawa, Canada.

Attention A. Boyle, Chief Accountant

DEAR SIR: I am advised by my office since my return to Halifax that they forwarded you the disputed time sheets. I trust that we will now be able to arrange the whole matter.

[Mr. A. Boyle.]

The situation is, as I explained while in Ottawa, we were obliged to pay the men on the time sheets which were returned to us by your timekeeper. If a mistake was made undoubtedly it was made by your officer, not mine, and I do not know any reason why I should be out money when the mistake was not made by any of my employees, and this overtime was not paid until I received instructions to pay it from your department.

As far as I can recollect everything else was arranged. There seemed to be a difference of opinion with respect to the 75 day period. However, my interpretation of that clause is, the time elapsed for my completion of the work was to be 75 days from the date the work was started, actual elapsed time.

Will you kindly arrange to have the account approved in full writing me a letter advising me the amount due in order that I may be able to use it for financing purposes if necessary. I may say for your information I was speaking to the Deputy Minister about this matter and he advised me that this letter would be written.

Yours truly,

(Signed) A. S. MACMILLAN.

Q. There is a memorandum of your own on the margin. Will you read that?—A. That is not mine, but I will read it. (Reading):

From my recollection of the conversation with Mr. MacMillan he agreed to take the loss on the fact that he had paid his men twice for the overtime in dispute.

Q. No. 195.—A. This is a memorandum dated the 13th of March at Ottawa by Mr. N. B. McLean, to the Chief Accountant. (Reading):

Memorandum for the Chief Accountant.

Referring to letter from Mr. A. S. MacMillan, dated 2nd March, 1928, and more particularly that part of it relating to overtime which Mr. MacMillan paid twice, and now asks the Department to reimburse him;

I beg to inform that on October 10, 1927, I advised Mr. Eisnor, Inspector of Construction, as follows:

With regard to overtime, the only overtime for which you will have to certify is that of the construction crew at Port Burwell from 1st October until the work is completed at that place, the details of which will be handed you by Mr. Fuller. He should also hand you the Time Book and you will be good enough to forward the same with your statement of overtime to the Chief Accountant, Department of Marine, Ottawa.

As the disputed time is for 4th September and 25th September and as the time sheets have not been certified to by Mr. Eisnor, and also as the time has already been paid by the Department, I do not think the Department is liable, and should not be called upon to pay twice for the same work.

(Signed) N. B. McLEAN,
Officer-in-Charge.

OTTAWA, 13th March, 1928.

[Mr. A. Boyle.]

Q. No. 196.—A. This is a memorandum from the Purchasing Agent, dated at Ottawa, March 1, 1928, to the Chief Accountant. (Reading):

Memorandum to the Chief Accountant.

I have been asked to prepare for the Deputy Minister a summary of the contracts entered into with Mr. A. S. MacMillan in connection with the Hudson Strait Expedition.

For this purpose will you kindly let me have a statement of the payments made and also outstanding accounts applying against these two contracts.

Thanking you,

(Signed) GEORGE H. FLOOD,
Purchasing and Contract Agent.

OTTAWA, March 1, 1928.

Q. No. 197.—A. This is a list of the outstanding accounts of A. S. MacMillan. (Reading):

Outstanding Accounts of A. S. MacMillan's

Materials Contract—Labour moving materials..\$	525 48
Marking Bundles..	5,307 05
Balance due on Labour contract..	1,394 76
Balance due on wages en route to Strait.. . . .	1,118 00
Balance due on overtime, during 75 day period	903 33
Wages of men returning on Larch..	1,277 50
Wages of men returning on Stanley..	1,577 00
Extra time over 75 day period..	2,387 40

Total of outstanding accounts.. \$14,470 52

Ottawa, 7th March, 1928.

By Mr. Ilsley:

Q. What is the date of that?—A. It is dated March 7th, 1928.

Q. Whose statement is it?—A. It comes from my branch.

Mr. ERNST: 198. Perhaps this memorandum of accounts, a repetition of the figures, could just be filed and incorporated in the record.

Mr. ILSLEY: What is it?

Mr. ERNST: A memorandum of Mr. MacMillan's own claim. It is 198 and 199 together.

The documents referred to are as follows:

A. S. MacMillan's Contracts, (Claims) and Payments on same.

1st Contract:

Amount of materials contract..	\$ 37,644 00
Extras—Moving materials in shed 22.. . . .	525 48
Painting bundles..	5,307 05
Materials supplied..	3,401 99

[Mr. A. Boyle.]

2nd Contract:

Amount of Labour contract.. . . .	29,463 00
Wages of men en route to Strait (plus 15 per cent)	5,310 50
Overtime during contract period.. . . .	5,370 52
15 per cent profit on same.. . . .	805 58
Wages of men returning on Larch (plus 15 per cent)	1,277 50
Wages of men returning on Stanley.. . . .	1,557 00
Extra time over 75 day period (plus 15 per cent)	2,387 40

Total debits.. . . . \$93,050 02

1st Contract:

Paid for building materials.. . .	\$37,644 00
Paid for extra materials.. . . .	3,401 99

2nd Contract:

Paid for labour contract.. . . .	28,068 24
Paid for overtime.. . . .	5,272 77
Paid for wages en route to Strait	4,192 50

\$78,579 50

Balance.. . . . \$14,470 52

Ottawa, 7th March, 1928.

Memorandum to the Purchasing and Contract Agent

As requested in your memorandum of the 1st instant, I enclose herewith a statement of the payments made to Mr. A. S. MacMillan, and one of the items now outstanding on both contracts.

(Signed) A. BOYLE,

Accountant, Dept. Marine and Fisheries—Marine Branch.

Ottawa, 7th March, 1928.

By Mr. Ernst:

Q. Now, No. 200, which is another memorandum of your own, I believe. We are getting near the end; there is not much more.—A. It is unsigned, but I think it is from the Purchasing Branch. There is no date on it, but a stamp in the margin "March 12, 1927."

Mr. ERNST: It is another statement, and could perhaps be incorporated without reading.

Mr. ILSLEY: Who files the statement?

Mr. ERNST: There is no name attached to it. The said statement is as follows:

Memorandum re contracts with A. S. MacMillan, Halifax, in connection with the Hudson Strait Expedition.

I—CONTRACT FOR MATERIALS

To provide all requisite materials necessary for the various buildings, etc. for the expedition, and to manufacture same to the various shapes and cut to fit as per specification and drawings prepared by the Department for the sum of.. . . . \$ 37,644 00

Extras incurred on this contract:—

Painting bundles.. . . .	5,307 05
Materials.. . . .	3,401 99
Moving materials in shed 22.. . . .	525 48

\$ 46,878 52

[Mr. A. Boyle.]

II—CONTRACT FOR LABOUR

To furnish necessary labour to erect buildings, set up derricks, put in concrete foundations for engines and radio plant, assist in unloading, landing and transporting materials for construction as directed, work to be completed within a period of 75 days from commencement, for a sum as stated below, the Department to pay wages to the men during transportation to and from the Hudson Straits, and for any time lost during construction through no fault of the contractor.

Amount of Contract.. . . .	\$ 29,463 00
Wages of men en route to and from Hudson Strait.. . . .	8,145 00
Overtime and work outside the 75 day period..	8,563 50
	<hr/>
	\$ 46,171 50

By Mr. Ernst:

Q. Now, No. 201.—A. This is a memorandum from N. B. McLean to the Chief Accountant dated March 29, 1928. (Reading):

Memorandum to the Chief Accountant.

With regard to the attached accounts of A. S. MacMillan, Halifax; Account amounting to \$2,656 for time of men employed aboard S.S. *Larch* at Hudson Strait between August 4 and October 18;

The schedule attached to the contract reads as follows:

(1) Assist as directed, by the Officer-in-charge, in the unloading, landing and transporting of material for the said buildings, etc., in so far as it does not interfere with progress of construction of the buildings.

These men did this work under my direction as stipulated in the contract but I would point out that some of them at least assisted in the construction of the buildings at the different bases.

I would also point out that the contractor was paid the full amount of the contract price, plus overtime for Sundays, and the fact that these men were more or less engaged in unloading operations it did not interfere with construction work, I am not prepared to certify this account for payment.

If the contractor insists on the payment of this account, the Department should put in a counter-claim for the time of the riggers erecting the derricks at the various bases as paragraph 5 of the schedule reads as follows:

‘To set up all derricks (6), put in all concrete foundations, etc.’

Account for overtime—please refer to my memorandum of the 14th instant.

(Signed) N. B. McLEAN,
*Officer-in-Charge Hudson
Strait Expedition.*

OTTAWA, 29th March, 1928.

Q. No. 202, a letter from Mr. Hawken to Mr. MacMillan.—A. This is a letter dated at Ottawa, April 11, 1928, from E. Hawken, Assistant Deputy Minister, to Mr. MacMillan at Halifax. (Reading):

April 11, 1928.

SIR: I beg to return your account amounting to \$2,656 for time of men employed on board the S.S. *Larch* from August 4 to October 18,

[Mr. A. Boyle.]

1927. In regard to this claim the Officer in Charge of the Expedition reports as follows:

The schedule attached to the contract reads as follows: "(1) Assist as directed, by the Officer in Charge, in the unloading, landing and transporting of material for the said buildings, etc., in so far as it does not interfere with progress of construction of the buildings." These men did this work under my direction as stipulated in the contract but I would point out that some of them at least assisted in the construction of the buildings at the different bases. I would also point out that the contractor was paid the full amount of the contract price, plus overtime for Sundays, and the fact that these men were more or less engaged in unloading operations it did not interfere with construction work, I am not prepared to certify this account for payment.

Under the circumstances this claim cannot be allowed.

I am, sir,

Your obedient servant,

E. HAWKEN,

Assistant Deputy Minister.

A. S. MacMILLAN, Esq.,

91 Hollis street,

Halifax, N.S.

Q. No. 203.—A. This is a telegram from Ottawa dated May 23, 1928, to Mr. MacMillan at Halifax by Mr. A. Johnson, Deputy Minister of the Department. (Reading):

C.P.R.

OTTAWA, 23rd, 1928.

A. S. MacMILLAN,

Contractor,

Halifax, N.S.

Please advise by telegram whether rate of wages outlined in Hudson Strait contract has been paid to workmen by you during the time they were in transit to and from Hudson Strait. If you have not paid stipulated rate please advise rate at which men were paid.

A. JOHNSTON.

Charge Marine.

Q. Nos. 204 and 205 constitute the answer to that?—A. A telegram from Mr. E. K. Walker, one of Mr. MacMillan's staff, to Mr. A. Johnston, Deputy Minister dated the 24th of May, 1928. (Reading):

HALIFAX, N.S. May 24, 1928.

A. JOHNSTON,

Deputy Minister,

Department of Marine and Fisheries,

Ottawa, Ont.

Mr. MacMillan absent from city for some days. According to records men were employed under contract signed by them before leaving here following rate of wages rough labourers one hundred dollars per month, skilled labourers one hundred and twenty-five dollars per month, carpenters, one hundred and fifty dollars per month, foreman, eight dollars per day, superintendent eight dollars per day, this monthly. Rate gave men straight time no deductions made for broken weather or time lost through accident all overtime paid according to schedule of rates as set forth in contract.

E. K. WALKER.

[Mr. A. Boyle.]

Q. No. 206.—A. A telegram from A. Johnston, Deputy Minister, to Mr. MacMillan at Halifax, dated the 26th of May, 1928. (Reading):

C.N.R.

OTTAWA, 26th May, 1928.

A. S. MACMILLAN,
Halifax, N.S.

Reference to Walker's telegram of May twenty-fourth please advise by telegram total amount paid by you to workmen covering time while in transit to and from Hudson Strait.

A. JOHNSTON.

Charge Marine.

Q. No. 207.—A. This is another telegram from E. J. Walker to Mr. Johnston, the Deputy Minister, dated May 29, 1928. (Reading):

HALIFAX, N.S.,
May 28th, 1928.

ALEX. JOHNSTON,
Deputy Minister, Department of Marine,
Ottawa, Ont.

Account of Mr. MacMillan's absence cannot vouch for accuracy of information but from records believe amount paid men was six thousand nine hundred and twenty dollars and fifteen cents. If you require further information will ask Mr. MacMillan to write you fully on his return.

E. J. WALKER.

Q. No. 208?—A. This is a telegram from A. Johnston, dated at Ottawa, May 29th, 1928, addressed to A. S. MacMillan.

Referring to previous telegrams and replies thereto, a more complete audit of accounts shows overpayment to you on wages of men in transit to and from Hudson Straits of one thousand two hundred and twenty four dollars eighty five cents also overpayment of eight hundred and five dollars fifty-eight cents for fifteen per cent of amount paid for overtime on work during seventy five day period stop Please arrange remit two thousand and thirty dollars forty three cents to cove amount overpayment.

Q. No. 209?—A. This is a four-page letter, running from Page 209 to 212.

HALIFAX, N. S., June 1st, 1928.

Department of Marine & Fisheries,
A. Johnston, Deputy Minister,
Ottawa, Canada.

DEAR SIRs,—Referring to your wires of recent date and answered by my office on account of my absence from the city, I note your wire asking me to forward you a cheque for a certain amount on account of overpayment. I may say I do not understand the situation.

Unfortunately for me, the engineer who was in charge of this work and with whom the contract was arranged with your Major McLean is not in the city and I am unable to get in touch with him and as the details were arranged largely by him it is very difficult for me to state exactly what happened between himself and Major McLean other than from the records which I have here and from my cor-

[Mr. A. Boyle.]

respondence with your Department which was dictated by the engineer who was in charge. However, I propose to state the case as I understand it along the lines of the discussion which took place with your officials while I was in Ottawa and finally with yourself. I thought at that time that everything in connection with the contract, overtime and percentage was fully understood and I am satisfied that Mr. Boyle your Accountant and Major McLean understood thoroughly the position that I took and the reasons why I asked the payments to be made accordingly.

As already stated the men were engaged by me at a monthly rate which was fully explained to your officials before the contract was signed. Your files will reveal the fact that in making proposals with respect to this work that I submitted the basis for my lump sum contract, that is the daily rate on which I based the price that I submitted. These daily rates were afterwards incorporated into the contract and included so far as my lump sum contract was concerned my percentage of profits which I proposed to make on the job.

When the men were taken on under agreement as I have just stated at a monthly rate, so far as they were concerned this is the amount they agreed to accept for the full time, Sundays and holidays excepted, for time elapsed from the time of leaving Halifax until their return. The difference between the monthly rate which I paid the men and that which I collected from the department under my contract you will find amounts to approximately 15 per cent, or in other words the amount of profit which I figured, not only on this portion of the work but also on my lump sum contract.

I wish to point out that the department is not out one dollar on account of this transaction and for that reason have no right to demand repayment of any money. If the department expected me to handle this portion of the work and to handle the money through my office and to look out for the families of the men during their absence, advance them from time to time whatever money was necessary without any remuneration then I do not understand anything about modern business.

Now with respect to the overtime on the cost plus basis this I think is settled definitely under paragraph 12 of the contract which reads as follows:—

Should it be found impracticable or impossible due to unforeseen or unknown causes, which in the absence of the necessary information make it impossible to estimate or determine upon, to erect any part of the stations within the 75-day period fixed by the department, the contractor may, at the discretion of the officer in charge be required to complete the work on a cost plus basis, the percentage to be paid the contractor to be not more than 15 per cent of the cost of completing such work.

This paragraph was placed there to cover just such a contingency. Under the contract the officer in charge could demand overtime from any of my men and for such overtime they were to be paid time and a half.

It was my intention to treat this overtime exactly as the time going and coming but for some reason or other the men were advised and a copy of this portion of the contract was shown to the men. The men were advised with respect to the daily rate and copy of the contract with respect to this matter was shown them and they were told they would receive that amount for overtime, but as I explained to you while in Ottawa it was my intention to treat this matter exactly as I did the time for the men going and coming outside of the 75-day contract, but was unable to do so due to the action of your department inspector in telling

the men what they would be paid. I was therefore unable to make the monthly rate that the men contracted for applicable on account of the promise made by your officials. Consequently I was obliged in order to cover up the overhead costs to myself to use paragraph 12 of the contract.

I think it would be very unfair to ask me to supply men for overtime, handle the business through my office here and as I have already stated look after all their families while they were away, furnish them with tools of every description, furnish them with oil suits, rubber coats and rubber boots which they used while engaged on this overtime as well as under my contract. In addition to this money was advanced these men and I find in checking up that interest alone on advances made and carried by me until final payment was made amounts to over \$800.00.

All this apparently you expect me to do for the Government free gratis, in view of the fact that I had a contract to do certain work at a lump sum price.

I am quite willing if it can be shown that there is one dollar of overpayment to pay it back immediately, but in all fairness I do not understand why such a demand should be made in view of the circumstances connected therewith.

I do not want a single dollar but what I have earned and what I am entitled to but anything that properly belongs to me I propose to have.

All the facts in connection with this transaction were known to your officials, discussed fully with them and finally with yourself. There was no attempt on my part to withhold anything. If there was any misunderstanding with respect to any of the transactions it certainly was not intentional on my part.

Yours very truly,

(Sgd.) A. S. MACMILLAN.

By Mr. Ernst:

Q. Is that the end of the file?—A. Yes sir.

Q. There was no further action taken?—A. No sir.

Q. The next thing is to show the regular payments. If we can get that, the record will be complete. I do not know that I have the vouchers listed.

Mr. ILSLEY: Can you not put them in without reading them?

Mr. ERNST: There are some memoranda attached. If the Committee will agree, I can read them and hand them to the reporter to be printed.

Mr. ILSLEY: Why not hand them in, to be printed?

Mr. ERNST: There are a lot of time sheets, which I do not think are pertinent to the record, showing what each one is for. The memoranda should be put in, but not necessarily the time sheets. To shorten the time of the Committee, Mr. Ilsley might gather them together.

Mr. BOTHWELL: Would it not be possible for yourself and Mr. Ilsley to decide upon what vouchers should go in?

Mr. ERNST: I will undertake to agree on it.

Mr. ILSLEY: I do not see why they should not all go in.

Mr. ERNST: There are some that are not relevant. There are progress estimates. I do not think these details should go in.

Witness retired.

(Mr. Ernst stated that the following should go in:)

Progress payment No. 1, August 27, 1927.. . . .	\$4,714 08
Progress payment No. 2, September 19, 1927.. . . .	3,322 40
Progress payment No. 3, September 29, 1927.. . . .	5,908 30
Progress payment No. 4, October 25, 1927.. . . .	5,895 74
Progress payment No. 5, October 20, 1927.. . . .	5,579 03
Progress payment No. 6, March 30, 1928, com- pleting contract price.. . . .	1,394 76
Advance on account of labour overtime.. . . .	5,254 25
Balance payment of overtime December 1, 1927..	18 52
Wages, time of men going to Hudson Straits via Larch, balance.. . . .	1,118 00
returning.. . . .	1,277 50
returning via Stanley.. . . .	1,557 00
Overtime at Base "C", September 4, 1927..	\$92.25
Overtime for G. R. Campbell at Base "C"..	5.50
<hr/>	
Cheque is dated March 29, 1928, for.. . . .	97 75
Overtime of wages paid over 75-day contract period, March 30, 1928.. . . .	2,387 40
Fifteen per cent of overtime wages on overtime accounts, March 30, 1928.. . . .	805 58
<hr/>	
Total	\$39,330 31

The following detailed statements were also ordered to go in the record:

TIME OF MEN GOING TO HUDSON STRAITS VIA LARCH

July 16th to August 3rd, incl.

1 Superintendent, 19 days at \$8 per day.. . . .	\$ 152 00
3 Foremen, 19 days at \$8 per day.. . . .	456 00
15 Carpenters, 19 days at \$7 per day.. . . .	1,995 00
15 Handymen, 19 days at \$5.50 per day.. . . .	1,567 50
12 Labourers, 19 days at \$5 per day.. . . .	1,140 00
<hr/>	
Total.. . . .	\$5,310 50
Less amount paid progress payment Cheque B. 6093	4,192 50
<hr/>	
	\$1,118 00

TIME OF MEN RETURNING FROM HUDSON STRAITS VIA LARCH

October 18th to 24th, incl.

2 Foremen, 7 days at \$8 per day.. . . .	\$ 112 00
8 Carpenters, 7 days at \$7 per day.. . . .	392 00
11 Handymen, 7 days at \$5.50 per day.. . . .	423 50
10 Labourers, 7 days at \$5 per day.. . . .	350 00
<hr/>	
Total.. . . .	\$1,277 50

TIME OF MEN RETURNING FROM HUDSON STRAITS VIA STANLEY
November 11th to 28th inclusive

1 Superintendent, 18 days at \$8 per day.. . . .	\$ 144 00
1 Foreman, 18 days at \$8 per day.. . . .	144 00
7 Carpenters, 18 days at \$7 per day.. . . .	882 00
3 Handymen, 18 days at \$5.50 per day.. . . .	297 00
1 Labourer, 18 days at \$5 per day.. . . .	90 00
Total.. . . .	\$1,557 00

STATEMENT OF EXTRA TIME OVER THE 75-DAY PERIOD
October 18th to November 10th, inclusive

1 Superintendent, 24 days at \$8 per day.. . . .	\$ 192 00
1 Foreman, 24 days at \$8 per day.. . . .	192 00
7 Carpenters, 24 days at \$7 per day.. . . .	1,176 00
3 Handymen, 24 days at \$5.50 per day.. . . .	396 00
1 Labourer, 24 days at \$5 per day.. . . .	120 00
	\$2,076 00
Plus 15 per cent.. . . .	311 40
Total.. . . .	\$2,387 40

I hereby certify that the work has been performed, the goods have been received, and the prices are fair and just.

(Sgd.) N. B. McLEAN, *Chairman,*
Hudson Strait Expedition.

Department of Marine and Fisheries Dr. to A. S. MacMILLAN, 91 Hollis st., Halifax, N.S.:

To 15 per cent of overtime wages paid to men employed at Hudson Strait as per Vo. B. 1119 (1927-28).. . . .	\$ 5,254 25
Vo. B. 11476, (1927-28).. . . .	18 52
Vo. B. 15788, (1927-28).. . . .	97 75
	\$ 5,370 52
15 per cent of \$5,370.52.. . . .	\$ 805 58

I hereby certify that the work has been performed, the goods have been received, and the prices are fair and just.

(Sgd.) N. B. McLEAN,
Chairman Hudson Strait Expedition.

The Committee adjourned until eleven o'clock a.m. on Wednesday, May the 8th, 1929.

APPENDIX

1927-28

ARTICLES OF AGREEMENT in duplicate made and entered into on the seventh day of July, in the year one thousand nine hundred and twenty-seven, between A. S. MacMillan, 91 Hollis street, Halifax, Nova Scotia, the party of the first part; and His Majesty King George V, represented herein by the Honourable P. J. Arthur Cardin, Minister of Marine and Fisheries of the Dominion of Canada, the party of the second part, hereinafter in some places referred to as "His Majesty" and the "Minister," respectively; WITNESS that the party of the first part herein binds and obliges himself and his heirs, executors and administrators for the consideration hereinafter mentioned, and doth hereby promise, covenant and agree to and with His Majesty, His Heirs and Successors, represented as aforesaid, to find all necessary tools, implements and materials whatsoever, and to perform, construct, complete and finish, in every respect to the satisfaction of the Minister, or his successors in office, in a good, substantial and workmanlike manner, agreeably to the true intent and meaning of the Specification hereunto annexed and duly signed by the said parties, and in accordance with the Plans deposited in the Department of Marine, where reference thereto may be had, and which Plans and Specification are to be respectively taken and read as part of this Contract, and as if embodied herein. Furnish necessary labour to erect buildings, set up derricks (6), put in concrete foundations for engines and Radio plant, assist in setting up engines and Radio masts, assist in unloading, landing and transporting materials for construction, as directed by the Chairman of the Expedition, detailed schedule attached, which is to be considered as part of the Contract, hereinafter referred to as "the work." The work to be completed and finished, and to be in every respect ready for use on or before the seventy-five days (75) from the date of commencing unloading at the first station.. In consideration whereof, His Majesty, represented by the Minister as aforesaid, doth hereby promise and agree to pay the party of the first part, or to the heirs, assigns, or lawful representatives of the party of the first part, the sum of twenty-nine thousand four hundred and sixty-three dollars (\$29,463) dollars lawful money of the Dominion of Canada.

And the said party of the first part, and His Majesty, represented as aforesaid, do hereby declare, covenant and agree that this contract and undertaking shall be and is hereby further made and entered into by the said party of the first part and His Majesty represented as aforesaid, under the express agreements, stipulations, covenants and conditions following, that is to say:—

Firstly.—That if by the report of the Engineer or Superintendent employed by the Minister in that behalf, it shall appear that the rate of progress at and in the work is not such as to ensure the completion of the same within the time herein prescribed, or if the party of the first part shall persist in any course violating the provisions of this contract His Majesty, His Heirs and Successors, shall have the power, at His and their discretion, by the Minister aforesaid, or his successors in office, without previous notice or protest, and without procès or suit at law, either to take the work, or any part thereof, out of the hands of the party of the first part, and to relet the same to any other person or persons, without its being previously advertised, or to employ additional workmen, and provide materials, tools and other necessary things at the

expense of the party of the first part; and the party of the first part in either case shall be liable for all damages and extra cost and expenditure which may be incurred by reason thereof; and shall in either of such cases likewise forfeit all moneys then due, under the conditions and stipulations of any or either of them herein contained.

Secondly.—That all materials before being used in the work shall be subject to the inspection and approval either of the Minister or of such person as he may appoint, and any materials disapproved shall not be used in the work, and if not removed by the party of the first part when directed by the Minister or his Engineer, or person in charge, then the rejected materials shall be removed by the Minister, his Engineer, or person in charge, to such place as he may deem proper, at the cost and risk of the party of the first part; but it is distinctly understood and agreed that the inspection and approval of materials shall not in anywise subject His Majesty to pay for the said materials or any portion thereof unless employed or used in the work, nor prevent the rejection afterwards of any portion thereof which may turn out unsound or unfit to be used in the work, nor shall such inspection be considered as any waiver of objection to the work on account of the unsoundness or imperfection of the material used.

Thirdly.—That it shall be in the power of His Majesty to make payments or advances on materials or implements of any description procured for the work, or used or intended to be used about the same or on labour performed, in such cases and upon such terms and conditions as to the Minister may seem proper; and that whenever any advance or payment shall be made to the party of the first part upon any labour, implements and materials of any description, the implements or materials upon which such advance or payment shall be made shall thenceforward be vested in and held as collateral security by His Majesty, His Heirs and Successors for the due fulfilment by the party of the first part, of the present contract; it being, however, well understood that all such implements and materials of any kind are to remain at the risk of the party of the first part, who shall be responsible for the same until finally used and accepted as a portion of the work by the Minister; but the party of the first part shall not presume to exercise any act of ownership or control whatever over any implements or materials upon which any advance or payment shall have been so made without the permission in writing of the Minister.

Fourthly.—That should any foreman, overseer, mechanic or workman employed on or about the work give any just case of complaint, the party of the first part shall immediately, upon the application of the Minister, his Engineer, or person in charge, dismiss such person or persons forthwith from the said work, and he or they shall not be employed again thereon without the consent of the Minister, and should the party of the first part continue to employ such foreman, overseer, mechanic or workman, the party of the first part shall forfeit to His Majesty, His Heirs and Successors, the sum of twenty dollars, lawful money aforesaid for each and every day during which such foreman, overseer, mechanic or workman shall be employed on the said work after such application as aforesaid, and such sum or sums of money so forfeited shall be deducted from and out of the amount which the party of the first part may be otherwise entitled to receive from His Majesty.

Fifthly.—That if any change or alteration, either in position or details of any portion of the work shall be required by the Minister, during the progress thereof, the party of the first part shall be bound to make such alteration or change, and if such alteration or change shall entail extra expense on

the said party of the first part, either in labour or materials, the same shall be allowed to the said party of the first part, or should it be a saving to the said party of the first part in either labour or materials, the same shall be deducted from the amount of this contract; in either case the amount is to be determined by the estimate made by the Minister, his Engineer, or officer in charge; but no such change or alteration, whatever may be the extent or quality thereof, or at whatever time the same may be required to be made pending the said contract, shall in anywise have the effect of suspending, superseding, annulling or rescinding this contract, which shall continue to subsist, notwithstanding any such change or alteration; and every such change or alteration shall be performed and made by the said party of the first part under and subject to the conditions, stipulations and covenants herein expressed, as if such change or alteration had been expressed or specified in the terms of this contract; and should the party of the first part be required by His Majesty, represented as aforesaid, to do any other extra work, or furnish any materials for which there is not any price specified in the contract, the same shall be paid for at the estimate price of the Engineer in charge of the work; but no change or alteration as aforesaid whatever, and no extra work whatever, shall be done, or made without the written authority of the Minister, or of the Officer representing the Department of Marine at Ottawa, given prior to the execution of such alteration or extra work, nor will any allowance or payment whatever be made for the same in case it should be done without such authority.

Sixthly.—That the party of the first part shall not in any way dispose of, sublet or relet any portion of the work embraced in this contract, except the procuring of materials.

Seventhly.—Should any difference of opinion arise as to the construction to be put upon any part of the Specification or Plans, the same shall be determined by the Minister alone, and such determination shall be final and conclusive, and binding upon the parties to this contract, and every one of them.

Eighthly.—That any notice or other paper connected with these presents, which may be required or desired, on behalf of His Majesty, to be served on the party of the first part may be addressed to the party of the first part, at his or their domicile or usual place of business, or at the place where the work hereby contracted for is to be carried on, and left at the Post Office, and any paper so addressed and left at the Post Office shall to all intents and purposes be considered legally served.

Ninthly.—Should the party of the first part not complete the work herein contracted for at the period agreed upon as above mentioned, the said party of the first part shall be liable for, and shall cause to be paid to the party of the second part, all salaries or wages which shall become due to the person or persons superintending the work on behalf of the Minister, from the above named period for completion, until the same shall actually be completed and received.

Tenthly.—That should the amount now voted for this service by Parliament be at any time expended previous to the completion of the work now contracted for, the said party of the first part may or may not, as should be seen fit, on receiving a notice in any case, the party of the first part shall not be entitled to any further payment for work done after the service of the notice above referred to, until the necessary funds shall have been voted by Parliament; nor shall the said party of the first part have any claim for compensation or damage for the suspension of payment.

Eleventhly.—In this agreement the words “party of the first part” shall include and comprehend (where the context admits of it) the heirs, executors and administrators of the said A. S. MacMillan, the party of the first part.

Twelfthly.—The specification hereunto annexed, together with the Plans or Drawings of the works to be executed as aforesaid, and herein or therein referred to shall respectively be deemed taken and read as part and parcel of this agreement, and shall be considered as if the same respectively were actually embodied therein.

Thirteenthly.—It is a condition of this agreement that no member of the House of Commons of Canada shall be admitted to any share or part of such agreement, or to any benefit to arise therefrom.

Fourteenthly.—If the party of the first part fail at any time in paying the salaries or wages of any person employed by , upon or in respect of the said works or any of them, and any part of such salary be twelve days in arrears, or if there be due to any such person twelve days’ wages or salary, the party of the second part or any person appointed by him to inspect the work, may notify the party of the first part to pay such salary or wages, and if two days elapse and the same be not paid in full up to the date of payment, or to such other date as may be in accordance with the terms of employment of such person, then His Majesty may pay to such person salary or wages from any date to any date and to any amount which may be payable, and may charge the same to the party of the first part, and the party of the first part covenants with His Majesty to repay at once any and every sum so paid.

Sixteenthly.—The wages to be paid in the execution of this contract shall be those generally accepted as current in each trade for competent workmen in the district where the work is carried on. If this condition is violated the said party of the second part may cancel the contract and refuse to accept any work done thereunder. No workman employed upon the said work shall at any time be paid less than the minimum rate of wages set forth in the fair wages schedule attached provided the schedule fairly represents the current rate of wages in the locality where the work is being carried on.

Supplementary Clause.—It is hereby agreed by the party of the first part that in accordance with the Order of the Governor General in Council on the 30th day of August, 1907, shall post in a conspicuous place on the work contracted for in this Contract the schedule of wages inserted in this Contract for the protection of the workmen employed.

The party of the first part agrees to keep a record of payments made to workmen in employ, the books or documents containing such record shall be open for inspection by the Fair Wages Officers of the Government at any time it may be expedient to the Minister of Labour to have the same inspected.

Alien Clause.—“The Contractor (or Contractors) shall not let or sublet the said work, or portion thereof, to any foreigner or corporation composed wholly or in part of foreigners, or employ, or suffer to be employed on the said work, any person who is not a British subject, or a *bona fide* resident of Canada or; who is not certified to by an agent of the Immigration Department of Canada as having come to Canada as an immigrant, intending to *bona fide* settle in this country; unless either the Minister is satisfied that there is not available sufficient persons of these classes to enable the Contractor (or Contractors) to complete the work within the time limited therefor, or there be some other reason which shall be deemed by the Governor in Council sufficient in the public interest; in which case or cases, and so far as the Minister may deem it necessary and for any particular portion or portions of the work, and for any specified period or periods, and as to any particular number of persons,

the Minister may, from time to time, consent in writing to the employment of such persons as are here otherwise prohibited; provided, that upon any wilful or negligent breach of this covenant being established to the satisfaction of the Governor in Council, the Contractor (or Contractors) shall be liable to forfeit, as liquidated damages, such sum as the Governor in Council may determine upon, for each day any prohibited person may be so employed.

Where the context allows, the expression "Minister" shall include the Deputy of the Minister and successors in office for the time being of the Minister or such Deputy.

In Witness Whereof, the party of the first part, and the Minister as representing His Majesty as aforesaid, have hereunto signed their names and set their Seals.

Signed and Sealed by the said party	}	(L.S.)
of the first part, in presence of		
Signed and Sealed by the Minister	}	(L.S.)
in presence of		

DETAILED SCHEDULE OF CONDITIONS OF AGREEMENT TO ERECT BUILDINGS, ETC., FOR THE HUDSON STRAIT EXPEDITION

The following is a schedule of the work which the contractor will be required to perform and of the conditions governing the contract for same:—

(1) Assist as directed, by the officer in charge, in the unloading, landing and transporting of material for the said Buildings, etc., in so far as it does not interfere with progress of construction of the buildings.

(2) All buildings, unless otherwise mentioned or shown, to have temporary foundations placed under same using local materials that may be available.

(3) Erect all buildings according to plans and specifications attached hereto and marked (Specification 1-8-4).

(4) All buildings to be anchored down as detailed in Specification.

(5) To set up all Derricks (6) put in all concrete foundations for engines and radio plant, assist with setting up all engines, and steel masts, and to furnish all necessary labour in connection with the erection of any plant or equipment not included in the erection of buildings.

(6) The Limit of Time for completion of the work detailed above shall be 75 days from the commencement of unloading at one station except as provided in paragraph 12 below.

(7) Wages will be paid by the Department during transportation to the first station where construction begins and contract becomes operative: also after the 75-day period above-mentioned until such time as men are returned to Halifax: Wages for working time in excess of 75 days as set forth in paragraph 6 will in no case be allowed except unusual difficulties are encountered causing unforeseen delays: the final decision to lie with the Chairman of the Expedition, Mr. N. B. McLean.

(8) The rates of pay to apply under paragraph 7 and 20 shall be as follows for the different classes of men employed, inclusive of profits and all expenses in connection with this work:—

Foreman, \$8 per day of 10 hours.
 Carpenters, \$7 per day of 10 hours.
 Handyman, \$5.50 per day of 10 hours.
 Labourers, \$5 per day of 10 hours.

(9) The contractor shall employ upon the works the following men, the Foreman and Carpenters to be first class Mechanics:

MINIMUM	MAXIMUM
3 Foremen.	3 Foremen.
15 Carpenters.	18 Carpenters.
12 Handymen.	15 Handymen.
12 Labourers.	12 Labourers.

(10) The contractor shall provide all necessary hip rubber boots, rubber coats, hats, etc., necessary to carry on his work while engaged outdoors.

(11) The Contractor is to provide his men with all carpenter's tools necessary to carry on the work, unless otherwise noted, in a satisfactory and workmanlike manner and to the satisfaction of the Officer in Charge.

(12) Should it be found impracticable or impossible due to unforeseen or unknown causes, which in the absence of the necessary information make it impossible to estimate or determine upon, to erect any part of the stations within the 75-day period fixed by the Department, the Contractor may, at the discretion of the Officer in Charge be required to complete the work on a cost plus basis, the percentage to be paid the contractor to be not more than 15% of the cost of completing such work.

(13) The annexed specification is to be incorporated into this agreement and contract as a guide so that the various foremen shall know the department's requirements when erecting the different buildings.

(14) Progress payments shall be made to the contractor on the 15th and end of each month, the amounts of such payments to be on the basis of 80% of the total amount due the contractor on the respective dates, as reported by the Chairman of the Expedition; the first payment to become due and payable on August 1st, 1927.

(15) The contractor shall on the 15th and end of each month pay to the Dependents of men employed an amount as designated by such men when employed. A list of such payments shall be forwarded twice monthly to the Chief Accountant of the Department of Marine and Fisheries, if required.

(16) If it is found necessary before the close of the work, the Officer in Charge may require overtime to be worked, and in such event time and one-half will be paid to all men required to work such overtime. The contractor will be reimbursed for such overtime paid over and above the contract price, except as stipulated in paragraph 17 below.

Record of such overtime to be kept by the department as well as the contractor and adjustment made on the return of the men to Halifax.

(17) Under no circumstances will the department pay the contractor for overtime where it is made necessary by any of the workmen not working or refusing to co-operate with the Officer in Charge, after the work has been started, or if the minimum of labour as detailed in paragraph 9 is not maintained throughout the term of the contract.

(18) That it is agreed between the department and the contractor that the various officials employed shall co-operate in full to expedite the work, viz: should one station be nearing completion and some of the men can be spared therefrom, that these men be transported to the station most in need—or other arrangements not at present known, but to be agreed upon on the site.

(19) That the Department of Marine and Fisheries, Marine Branch, shall transport all contractor's employees engaged upon this work, their kits and tools, from Halifax, N.S., to the various sites and return—provide suitable bedding and sleeping quarters upon ship, and board the men whole on board ship.

That the Department of Marine and Fisheries shall provide house, bedding and food as well as possible under the existing conditions, for all the contractor's Employees engaged upon this work at the various stations.

(20) If for any reason the contractor's men are returned before the expiration of the 75-day period above mentioned, any saving in wages effected shall be deducted from the contract price.



SESSION 1929

(HOUSE OF COMMONS)

(SELECT STANDING COMMITTEE)

ON

Public Accounts

MINUTES OF PROCEEDINGS AND EVIDENCE

(Orders of Reference and Reports)

No. 7—WEDNESDAY, MAY 8, 1929

WITNESS:

Mr. A. Boyle, Chief Accountant, Department of Marine and Fisheries.

MINUTES OF PROCEEDINGS

MORNING SITTING

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

WEDNESDAY, May 8, 1929.

The Committee met at 11 o'clock, Mr. Jacobs, the Chairman, presiding.

Members of the Committee present; Messieurs: Arthurs, Bettez, Bothwell, Casselman, Cowan, Donnelly, Ernst, Fraser, Gardiner, Guerin, Ilsley, Jacobs, Laflamme, Lapiere, Lawson, Lovie, Manion, McDiarmid, Parent, Peck, Perras, Pouliot, Ross (Kingston City), Ryckman, Smith (Cumberland), Smith (Stormont), Smoke, Taylor, Telford, Thorson, and Tobin—(31).

In attendance: Mr. E. Hawken, Assistant Deputy Minister; Major N. B. McLean, formerly Chairman of the Hudson Bay expedition; Mr. A. Boyle, Chief Accountant, and several other officials of the Department of Marine and Fisheries; also, in attendance, Mr. A. S. MacMillan, Halifax, N.S.

The Chairman called the meeting to order.

Mr. Ernst called the attention of the Committee to a voucher for \$4,192.50, which had not been printed in the record, owing to some apparent inadvertence when making up the voucher file, and he now desired to make a statement of the matter in order to correct the record and make it complete.

Mr. Boyle, Chief Accountant, recalled and examination resumed by Mr. Ernst.

The witness was questioned by Mr. Ilsley.

Mr. Ernst again resumed examination.

Questions by other members of the Committee.

It being one o'clock, the Committee, by general agreement, adjourned to meet again at 4 o'clock.

AFTERNOON SITTING

The Committee met, Mr. Jacobs presiding.

Members of the Committee present: Messieurs Arthurs, Beaubien, Bothwell, Casselman, Ernst, Fraser, Hanson, Ilsley, Jacobs, Kaiser, Laflamme, Manion, McDiarmid, Parent, Peck, Pouliot, Power, Ross (Kingston City), Ryckman, Smith (Cumberland), Taylor, Telford, and Thorson—(23).

Those in attendance were the same as at the morning sitting.

Mr. Boyle, Chief Accountant, recalled. He was examined in turn by Mr. Ernst, Mr. Ryckman, Mr. Hanson, and again by Mr. Ernst; also questioned by Mr. Ilsley, Mr. Thorson, Mr. Bothwell, Mr. Parent, Mr. Manion and several other members of the Committee.

By general consent the Committee adjourned at 5.45 to meet again on Tuesday, May 14th,—morning at 11 o'clock, and afternoon at 4 o'clock.

E. L. MORRIS,

Clerk of the Committee.

MINUTES OF EVIDENCE

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

WEDNESDAY, May 8, 1929.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., the Chairman, Mr. S. W. Jacobs, presiding.

The CHAIRMAN: Gentlemen, if you will come to order, we will declare the meeting open. Now, Mr. Ernst.

Mr. ERNST: Mr. Chairman, in checking over the vouchers this morning I find that there has been omitted by the Auditor General's Department from the files furnished to the Committee—I have no doubt inadvertently—a voucher for \$4,192.50, which has not been printed in the record. I make this statement in order to correct the record and have the total amount paid to Mr. MacMillan appear in the next report of the Committee. It is apparent from an examination of the files and the vouchers, that No. 6, page 53, covers a cheque for \$3,952.50 for the transportation charges and wages of the men, that is, going to and coming from Hudson Strait. In the schedule attached to the cheque appears an item of wages going on the "Larch" \$5,310.50, less amount progress payment, Cheque B-6093, for \$4,192.50, leaving a balance due under that item of \$1,118. The voucher or cheque B-6093 is not on the file, and was never on the file, in so far as I know. I am not saying that it disappeared, because it was never there and was not passed to the printer last night. I have a copy of the voucher from Mr. Boyle this morning.

The CHAIRMAN: It appears in the Auditor General's report, I suppose?

Mr. ERNST: If you examine the vouchers furnished the reporter, you will find that they total approximately \$41,000; as a matter of fact the correct amount of the total is \$46,471.50, so that this cheque for \$4,192.50 requires to be added in, to make the total correct. There will be an inaccuracy in the record unless we have it. I am asking to be allowed to put in a copy which is furnished to me by Mr. Boyle, just to show the progress payment, as the cheque is not here.

The CHAIRMAN: What do you say, Mr. Ilsley?

Mr. ILSLEY: What my friend says appears to be correct; it appears to be for wages for the men during the transportation period.

The CHAIRMAN: The proper witness would be an official from the Auditor General's Department.

Mr. ERNST: It is so apparent, unless you want to take up the time. I will ask Mr. Boyle, the Chief Accountant, whether the amount in the voucher I now hand him was paid by the Department?

A. BOYLE recalled.

WITNESS: Yes, it was paid by Cheque B-6093.

By Mr. Ernst:

Q. Do you want to search the file and see whether the cheque is there?—A. It is in the total of my statement.

Mr. ILSLEY: That is all right.

Mr. ERNST: My friend Mr. Ilsley and I agree that it is not in.

[Mr. A. Boyle.]

Mr. PARENT: It does not change the total figure.

Mr. ERNST: It does not change the total figure, it corrects the record, which otherwise would be inaccurate.

Mr. ILSLEY: This is to check the Auditor General's report. It should go into the report, otherwise it will be inaccurate.

Mr. ERNST: Perhaps we can give the voucher to the reporter, to be incorporated in to-day's minutes.

Dept. of Marine,
Dr. to A. S. MacMillan,
91 Hollis St., Halifax, N.S.

To wages of the following from July 17th to 31st, inclusive:

4 Foremen, July 17th-31st, 15 days at \$8 00—	\$ 480 00
15 Carpenters, July 17th-31st, 15 days at 7 00—	1,575 00
15 Handymen, July 17th-31st, 15 days at 5 50—	1,237 50
12 Labourers, July 17th-31st, 15 days at 5 00—	900 00

Amount due. \$4,192 50

Mr. ERNST: Mr. Chairman, I desire to ask Mr. Boyle a few questions.

By Mr. Ernst:

Q. You told us yesterday, Mr. Boyle, that you were the Chief Accountant of the Department?—A. Yes.

Q. What is the routine, so far as the payment of accounts in your Department is concerned?—A. The routine usually is that all accounts go to the Purchasing Branch and are certified by them, and come down to me for payment; we check them over, and if they are correct, we issue cheques.

Q. A memoranmud of yours appears at page 189 of the file—

It is unfortunate that we have not got the printed record, Mr. Chairman, because if we could make references to the printed record it would be much more intelligible, but apparently it is not yet printed.

A memorandum of yours, Mr. Boyle, prepared by the Deputy Minister, was read yesterday by yourself, appearing at page 189 of the file relating to the MacMillan accounts?—A. Yes.

Q. You have a duplicate of the file?—A. I have.

Q. If you will turn to page 189, Mr. MacMillan's account, as he claimed against the Department, appears there? A. No, I have only a copy of my memorandum; I have not a copy of the file.

Q. I will furnish you with this in due course. Mr. MacMillan in his claim claimed for \$5,310.50—I am reading now from the file—for wages of the men during transportation to Hudson Strait on the Steamship or the Schooner "Larch"?—A. Yes.

Q. You analyse that claim in your memorandum in these words, "For wages en route to the Strait. Mr. MacMillan on December 3rd submitted an account amounting to \$4,472, plus 15 per cent". The fifteen per cent is not in accordance with the contract, and was disallowed by your notation on Mr. McLean's memorandum dated January 26th. The \$4,472 covers a period of sixteen days, including the day prior to the sailing of the "Larch", and is correct, and with the progress payment thereon deducted, the balance due is \$280. You recollect that memorandum, Mr. Boyle?—A. Yes.

Q. I find on turning to the vouchers, that Mr. MacMillan received for the wages of men during transportation to Hudson Strait \$5,310.50. I pass you the original voucher; the memorandum is attached to Voucher B 6052?—A. Yes.

Q. And he received \$5,310.50?—A. Yes.

[Mr. A. Boyle.]

Q. Which corresponds with the amount of his claim.

Mr. PARENT: Do you suggest that that would include the fifteen per cent?

Mr. ERNST: I am going to ask the witness, if you will have patience.

WITNESS: Yes, we paid \$5,310.50.

By Mr. Ernst:

Q. Which corresponds with the amount of his claim?—A. Yes.

Q. Can you tell us, or explain, in the face of your memorandum, how he came to be paid that amount?—A. We paid him \$5,310.50, but he claimed fifteen per cent and we did not pay it.

Q. But I find from your memorandum that he claimed \$4,472, plus fifteen per cent, amounting to \$5,310.50.

Mr. ILSLEY: That is not correct; it is \$5,412.50.

Mr. ERNST: I would rather Mr. Boyle answered the questions himself.

Mr. ILSLEY: I do not want to obstruct or delay, but my friend is stating a matter of fact to the witness, which is not a fact, that is, that \$4,472 plus fifteen per cent amounts to \$5,310.50. It does not amount to that.

Mr. PARENT: It is not accurate as a figure.

Mr. ILSLEY: I am just objecting to my friend stating it as a matter of fact.

Mr. ERNST: To show how frivolous my friend's objection is, if my friend will turn to page 135 of the file he will find Mr. MacMillan's own statement for the transportation of men to Hudson Bay:—

1 superintendent, 16 days at \$8.	\$ 128 00
3 foremen, 16 days at \$8.	384 00
16 carpenters, 16 days at \$7.	1,680 00
15 handymen, 16 days at \$5.50.	1,320 00
12 labourers, 16 days at \$5.	960 00
Total amount.	\$4,472 00
15 per cent handling.	670 80
	<hr/> \$5,142 80

He was actually paid more than that.

Mr. ILSLEY: That is incorrect.

Mr. ERNST: More than he claimed, in that respect.

WITNESS: His dates were wrong.

By Mr. Ernst:

Q. Have you any record to show that his dates were wrong?—A. I think the record would show that the Larch left on the 18th July.

Q. And arrived?—A. Arrived at the first basin on the 3rd August.

Q. You mean the explanation there is that his dates are incorrect?—A. Yes.

Q. For how many days was he actually paid?—A. He was paid 19 days.

Q. He was paid 19 days?—A. According to this, it was 19 days.

Q. At what rate of pay?—A. Eight dollars per day for the superintendent, \$8 each for the foreman, \$7 per day each for the carpenters, \$5.50 per day each for the handymen, and \$5 each per day for the labourers, according to the schedule.

Q. So that payment was made by changing the number of days he received there, is that right?—A. Yes.

Q. Was any notice of that taken in the contract, in the contract period?—

A. It is contained in the contract period. He did not know the number of

[Mr. A. Boyle.]

days, when the Larch arrived at the first base. The contract was that we were to pay the men, this Department was to pay Mr. MacMillan until she started to unload. The Larch left on the 17th July—she should have left on Saturday the 16th, but she left on the 17th, and we were to pay Mr. MacMillan from the 16th July to the 3rd August.

Q. In paying Mr. MacMillan from the 16th July to the 3rd August, did you pay him straight time?—A. According to the schedule.

Q. Did you pay him straight time, Sundays and legal holidays included?—A. Yes.

Q. Now will you turn to the account, you have it there, for the men coming home. It is at page 169. Perhaps I can find it in his own figures; coming home on the Larch on the 3rd December I find that he rendered an account for \$1,258.82, made up of \$1,095 wages at the regular rate, plus fifteen per cent handling charges, amounting to \$1,258.82. When I turn to your memorandum in this instance I find that you disallow that, in these words:

“For wages men returning on Larch, Mr. MacMillan on December 3 submitted an account amounting to \$1,095, plus 15 per cent. The 15 per cent is disallowed for the reason stated in paragraph 2: The \$1,095 covers a period of 6 days from Port Burwell until arrival at Halifax, October 18 to October 24 inclusive.” You are aware of that memorandum?—A. The number of days was 7 days.

Q. When did the Department discover the discrepancy in that respect; I find you paid him \$1,277.50?—A. Yes.

Q. Have you any records to show the sailing time of the Larch coming home, when she left and when she arrived in Halifax?—A. The only thing I have here is the wages of the men returning on the Larch from October 18 to October 24 inclusive, 7 days.

Q. Where was that memorandum made up?—A. It was made up by one of my officials.

Q. From what record?—A. It was made up from the Larch's file, I think.

Q. Is there any original here from which it was made up, showing the sailing time?—A. No, that is MacMillan's file, the contract file.

Q. Is there anything to show from what it is made up?—A. There should be.

By Hon. Mr. Manion:

Q. Is it the custom in the department, when a claim is made by a contractor, to hunt around and find a means of increasing the account?—A. It is not. But in this case the boat was coming from a distance, and of course in that case we paid the account which should have been paid.

By Mr. Ilsley:

Q. You did not take advantage of a mistake to pay him less than the amount he should have been paid?—A. No.

By Mr. Ernst:

Q. Where is the record to show the time which the Larch took in coming from Hudson Strait? When did you become aware of it?—A. We would become aware of it shortly after the Larch arrived, naturally.

Q. Then how, on February 9th, did you come to prepare a memorandum disallowing part of Mr. MacMillan's account?—A. As far as I can see from this memorandum it was giving a synopsis of what we had paid MacMillan and what he was claiming.

[Mr. A. Boyle.]

Q. I find for returning on the Stanley that Mr. MacMillan submitted originally a claim for \$3,581.10—this was on December 3rd, and it is found at page 132 of the file—made up of:

1 Superintendent, 36 days at \$8.. . . .	\$ 288
1 Foreman, 36 days at \$8.. . . .	288
7 Carpenters, 36 days each at \$7.. . . .	1,764
3 Handymen, 36 days each at \$5.50.. . . .	594
1 Labourer, 36 days at \$5.. . . .	180
	<hr/>
	\$ 3,114

with handling charges of 15 per cent, \$467.10. But I find in that instance you also disapprove of the 15 per cent handling charges?—A. Yes.

Q. I find that page 169 Mr. MacMillan's account for men returning on the Stanley has been placed at \$1,557?—A. Yes.

Q. Which I presume, includes as all the other accounts at that time the 15 per cent handling charges?—A. Yes, because they were paid at the same rate as the ones going up. The superintendents were paid \$8 per day. He claimed 36 days, and only paid him for 18 days. He claimed 36 days for all the men, which amounted to \$3,581.10; and I only paid him \$1,557.

Q. As a matter of fact he submitted that amended claim, claiming \$1,557.—A. Yes.

Q. In the same statement in which he claimed \$5,310.60 for men going on the Larch and returning on the Larch?—A. Yes.

Q. He was paid 18 days in that case.—A. He was paid for 18 days for the men returning on the Stanley.

Q. Straight time again?—A. According to the schedule.

Q. I am asking you, straight time—was he paid straight time?—A. Yes.

Q. What date did the Stanley leave and what day did she arrive?—A. She left on the 11th November, and she arrived on the 28th.

Q. She left on the 11th November?—A. Yes, that is coming back.

Q. And arrived on the 28th?—A. Yes, she arrived at Quebec.

Q. I find that Mr. MacMillan in his account, which appears to be the final account at page 169, claimed extra time over the 75 day period, plus 15 per cent, \$2,387.40. I find in paragraph 6 of your memorandum that you say this. "As for Mr. MacMillan's claim for \$2,387.40 for wages over the 75 day period I find that there were only 73 actual working days during the contract period, as confirmed by Mr. McLean."—A. Yes.

Q. I find he was paid the full amount of his claim?—A. In this instance, yes.

Q. The voucher appears in the file as B. 660, and the amount is \$2,387.40:

1 Superintendent, 24 days at \$8.. . . .	\$ 192 00
1 Foreman, 24 days at \$8.. . . .	192 00
7 Carpenters, 24 days at \$7.. . . .	1,176 00
3 Handymen, 24 days at \$5.50.. . . .	396 00
1 Labourer, 24 days at \$5.. . . .	120 00

Total.. . . .	\$ 2,076 00
Plus 15 per cent.. . . .	311 40

Making a total of.. . . . \$ 2,387 40

What induced you to change your opinion?—A. It has always been my practice, if there is anything in doubt, to deduct it, and I will not pay it until the matter is looked into. You know a contract is hard to read, and I do not want to pay

money out until I am sure of it; and I deducted those items; and there was a conference afterwards between Mr. MacMillan, Major McLean, the Deputy Minister, and myself, and in going over the contract again I found out, as far as the 73 day period was concerned, that I was wrong.

Q. In what way?—A. Well, in this way, that Major McLean, to my mind, had got his men to work overtime and therefore that had taken up the time of the 75 days.

Q. Do you mean owing to the overtime work the time had been shortened?—A. Yes.

By Hon. Mr. Manion:

Q. Were they not paid time and a half for overtime?—A. Yes.

By Mr. Ernst:

Q. Mr. MacMillan had got paid time and a half for his overtime and got his charges as well?—A. Mr. MacMillan did not get time and a half.

Q. But his men did?—A. Yes.

Q. And Mr. MacMillan got 15 per cent handling charges?—A. Yes. Those were for holidays and Sundays.

Q. The overtime?—A. Yes.

Q. And, assuming he had his men hired at the monthly rate, he would save time by the period being shortened by the overtime?—A. Well he did not save money.

Q. If he is paid extra for the overtime, or if his men are, and he is paid 15 per cent for handling charges and he has his men hired at a monthly rate, the more overtime they worked the more he would save on his contract price?—A. Mr. MacMillan did not get this overtime; it was his men.

Q. Will you admit this proposition, that for every hour overtime they worked, the actual time they would be at Hudson Strait is shortened?—A. Yes, I admit that.

Q. And that Mr. MacMillan had a contract price of \$29,463?—A. Yes.

Q. Assume that Mr. MacMillan hired his men at a monthly rate—

Mr. BOTHWELL: But he did not.

By Mr. Ernst:

Q. Assuming that he did, every day he saved would be so much profit?—A. He did not save it.

Q. I am asking whether you construe the 75 day period differently later, and I want your reason?—A. My reason was this, that they were up on an expedition and the Chairman of the expedition naturally did not know what he was up against; and he gets these men to work on Sundays and holidays, which had nothing to do with Mr. MacMillan because Mr. MacMillan's men were paid so much per day for ten hours.

Q. No, no, Mr. Boyle, that is for the extra time?—A. Yes.

Q. You do not know what Mr. MacMillan's men were paid during the contract period?—A. No, but according to the schedule.

Q. I am asking you, assuming that they were hired on a monthly rate, every hour overtime would lessen the expense to Mr. MacMillan, would it not?—A. That would seem natural.

Q. Then why did you recommend the payment of extra time to Mr. MacMillan over the 73 days or the 75 days?—A. Because I took the 75 days with Sundays included.

Q. To mean straight time?—A. Yes.

[Mr. A. Boyle.]

Q. Although Mr. MacMillan was being paid extra for Sundays?—A. The men were paid extra for Sundays.

Q. Let me put it in this way, Mr. Boyle. Mr. MacMillan's contract was for \$29,463.—A. Yes.

Q. Lost time while at Hudson Strait, and overtime were paid by the department additionally,—is that right?—A. Yes.

Q. Now in the light of that, have you any other reason to give for giving the extra time, and he received 15% handling charges on the lost time and overtime?

Hon. Mr. MANION: So that he virtually got paid for overtime as well.

The CHAIRMAN: He may have been working on Sundays too.

Hon. Mr. MANION: I hope so, when he was paid for it.

The WITNESS: I think, Sir, if you loop up the records, the actual number of days was 75 days. That is the number of days, but I took Major McLean's record, which was wrong. I think if you turn up Major McLean's record there on the number of days—

Q. In what respect wrong?—A. In the number of days the men were away.

Q. In other words, although the Department paid the lost time and paid Mr. MacMillan the contract price, you reckoned it as straight time of 75 days?

Mr. ILSLEY: What is meant by lost time,—that phrase is not used in the contract at all?

The CHAIRMAN: It is the time we spent here yesterday.

The WITNESS: I think you will find those days in the records of Mr. McLean. I think it is on the Larch file,—that is the boat file.

Q. Do you mean to say the documents relating to the payments of this money are not on this file?—A. Well, it seems so.

Q. What representations were made in the conference between you, and Major McLean, the Deputy Minister, and Mr. MacMillan?—A. In the first place, the number of days was wrong, and I had read the contract wrong. As I explained before, I will not pass anything unless I am sure about it. I say that I was wrong in the contract and I concurred in what Major McLean said, and the Deputy Minister concurred in the same also.

Q. What representations did Mr. MacMillan make?—A. Well, they are on the file.

Q. No, they are not. I am asking you about a conference which does not appear on the file. When was this conference?—A. I just forget the date, sir.

Q. How long before the cheques were issued?

By the Chairman:

Q. Is there any memorandum of the conference?—A. No.

By Mr. Ernst:

Q. How long before the cheques were issued?—A. Well, we had no money at the time, and I am afraid I cannot tell you.

Q. Approximately when? Sometime during February or March, 1923?

By Mr. Parent:

Q. If you do not remember, Mr. Boyle, just say so?—A. I do not remember.

By Mr. Ernst:

Q. Well, was it at the time you made up your memorandum?—A. It was after.

Q. And before the time you issued the cheques? Was it before you paid Mr. MacMillan?—A. Yes, sir.

[Mr. A. Boyle.]

Q. Quite certain of that?—A. I am almost certain of it.

Q. Then it was sometime between February 9th and March 30th, 1928?—

A. Yes. It was sometime in March.

Q. What representations did Mr. MacMillan make as to payments?—A. Well, I do not think Mr. MacMillan had really anything to do with it. It was the wording of the contract.

Q. Well who did? Did not the Deputy Minister direct you to make payment?—A. No, sir, he did not.

Q. Not at all?—A. He concurred in it. If he had authorized me to pay it I would have got his initials on it.

Q. I find that Mr. MacMillan was paid 15 per cent handling charges on the overtime paid to the men, amounting to \$905.58 —A. I have not got the voucher.

Q. I will pass you the voucher. In your memo., at page 189, you say:

As regards the overtime Mr. MacMillan is claiming \$6,393.23 which includes 15 per cent profit. The 15 per cent has been allowed as stated above.

And, as stated above, you said that the 15 per cent is not in accordance with the contract and was disallowed by your notation on Mr. McLean's memorandum dated January 26. Can you tell me under what provisions of the contract that 15 per cent was allowed to Mr. MacMillan?—A. I think it is paragraph 12 of the contract.

Q. Well, paragraph 12 of the contract reads:

Should it be found impracticable or impossible due to unforeseen or unknown causes, which in the absence of the necessary information make it impossible to estimate or determine upon, to erect any part of the stations, within the 75 day period fixed by the Department, the contractor may at the discretion of the Officer-in-Charge be required to complete the work on a cost plus basis, the percentage to be paid the contractor to be not more than 15 per cent of the cost of completing such work.

Is there any reference to overtime there?

Mr. PARENT: Part of it.

The WITNESS: I think it is paragraph 16.

By Mr. Ernst:

Q. I will read paragraph 16:

16. If it is found necessary before the close of the work, the Officer-in-Charge may require overtime to be worked, and in such event time and one-half will be paid to all men required to work such overtime. The contractor will be reimbursed for such overtime paid over and above the contract price, except as stipulated in paragraph 17 below.

Record of such overtime to be kept by the Department as well as the contractor and adjustment made on the return of the men to Halifax.

17. Under no circumstances will the Department pay the contractor for overtime where it is made necessary by any of the workmen not working or refusing to co-operate with the Officer-in-Charge, after the work has been started, or if the minimum of labour as detailed in paragraph 9 is not maintained throughout the term of the contract.

Now, do you find anything in those two paragraphs to authorize the payment of 15 per cent for overtime?

[Mr. A. Boyle.]

The CHAIRMAN: The contract speaks for itself.

Mr. ERNST: Mr. Boyle is the Accountant who passed this account, and I am entitled to ask him.

The WITNESS: It is the contract I went by.

By Mr. Ernst:

Q. Well, where do you find anything in those paragraphs to authorize the payment of 15 per cent?—A. I considered that MacMillan was entitled to the 15 per cent.

Q. Well, under what term of the contract, and will you read it?

Mr. BOTHWELL: Paragraphs 12 and 16, the two paragraphs you have read.

Mr. ERNST: I will read them again if the hon. gentleman has not read them.

By Mr. Ernst:

Q. Will you let me know under what paragraph in the contract you paid this overtime?

Mr. PARENT: He said clause 12.

The WITNESS: I said I thought it was clause 12.

Mr. ERNST: And then he said it was clause 16.

Mr. PARENT: It would be a matter of interpretation.

The WITNESS: I found that MacMillan had been paying his men according to his own contract price.

By Mr. Ernst:

Q. For what?—A. For the labour at Hudson Strait. That was the agreement he had with his men, a monthly rate, but as far as the overtime was concerned, somebody had shown MacMillan's men the schedule and they demanded the schedule rates.

Q. And because the men demanded schedule rates the Department gave 15 per cent handling charges to Mr. MacMillan, is that the answer?

By Mr. Parent:

Q. What do you mean by "schedule"? Do you speak of the schedule that was annexed to the contract?—A. Yes.

Q. You always refer to that schedule?—A. Yes.

Q. It is not the general schedule of the Department, it is the schedule attached to this particular contract?—A. That is so.

By Mr. Ernst:

Q. Coming back to the extra day period, Mr. Boyle, for which Mr. MacMillan was paid the sum of \$2,387.40, under what paragraph of the contract was that paid?—A. That was paid under paragraph 12.

Q. Paragraph 12 I have read, but I will read it again:

Should it be found impracticable or impossible due to unforeseen or unknown causes, which in the absence of the necessary information make it impossible to estimate or determine upon, to erect any part of the stations within the 75 day period fixed by the Department, the contractor may at the discretion of the Officer-in-Charge be required to complete the work on a cost plus basis, the percentage to be paid the contractor to be not more than 15 per cent of the cost of completing such work.

What did you take as the cost basis?—A. The schedule rate.

[Mr. A. Boyle.]

Q. The schedule rate?—A. Yes.

Q. Now, I will put this question to you, Mr. Boyle: if it were established to your satisfaction that for the extra day period which Mr. MacMillan claimed, he paid his men less than the schedule rate, would he have been, in your opinion, entitled to the money which you paid him?—A. Yes; his men worked for 75 days.

Q. I am not asking about the 75 days. If it were shown to you that during the time which Mr. MacMillan collected 80 cents per hour for superintendent for 24 days extra time, 80 cents per hour for a foreman; 70 cents per hour for carpenters; 55 cents per hour for handymen, and 50 cents per hour for labourers, amounting to \$2,076, he, for that period which you have reckoned as the extra day period, actually paid his men less than that, could you have endorsed that payment?

Mr. THORSON: Should not the question be based on facts?

Mr. ERNST: I am quite prepared to prove what I am saying, that Mr. MacMillan did not pay those rates.

The WITNESS: I do not know.

By Mr. Ernst:

Q. If you had, you could not have sanctioned this payment, could you?

Mr. THORSON: That is hypothetical.

Mr. ERNST: This is the Chief Accountant.

Mr. PARENT: That does not make any difference. We can have facts just the same without having any opinion from Mr. Boyle.

Mr. POULIOT: We, the members of this Committee, are the ones to give our opinion.

By Hon. Mr. Manion:

Q. Are there any of the payments, of which you disapproved in your memorandum, that were not paid?—A. Yes, quite a few.

Mr. ERNST: The amounts were paid, but paid under a different heading.

By Hon. Mr. Manion:

Q. Were the amounts covered in some other way?—A. No, sir, they were not.

Q. I would like to know which ones you disapproved of that were not paid. When I say "not paid," I mean under some other term, because some of them were paid, you admitted that, in that you said later you changed your mind because of various reasons.

Mr. BOTHWELL: I think it is only fair for the witness to state what claims he recommended should not be paid were not paid.

Hon. Mr. MANION: I asked him that.

The WITNESS: This memorandum was written just as a synopsis to the Deputy Minister. I showed him what I had paid and what I thought should not be paid. Now, I say:

For wages en route to the Strait, Mr. MacMillan on Dec. 3rd submitted an account amounting to \$4,472 plus 15 per cent. The 15 per cent is not in accordance with contract and was disallowed by your notation on Mr. McLean's memorandum dated Jan. 26th,

By Hon. Mr. Manion:

Q. That was never paid?—A. Never paid, sir.

Q. Well, I am glad to hear that there was one that was not paid. Are there any others?—A. There are two other items, sir, not paid.

[Mr. A. Boyle.]

Q. Before we leave that one item, were the number of days increased? It is suggested that the number of days were increased so that the amount was made up. Is that so, or not so?—A. Yes, that is true.

Q. So that the amount really was paid by increasing the number of days?—A. No. I do not think the 15 per cent was actually paid, but there was a day extra added, but the 15 per cent was a good deal more than that—

Q. Added on?—A. Added on, but the 15 per cent of the—

By Mr. Bothwell:

Q. Was there a mistake in the computation?—A. No, there was a mistake in MacMillan's.

Q. Who found out the mistake?—A. We found it. There is another where he was charging us \$4,000, and we reduced it to \$1,557, because he had put in 34 days instead of 18.

By Hon. Mr. Manion:

Q. I would like to ask one other question if nobody else wants to follow that point up. I understood you to say that while there were only 73½ days, because of the overtime, the ultimate figure was more than 75 days—owing to the overtime.—A. Oh no. I took the 75 days as Sundays and holidays, but it is lapsed time—the contract says “lapsed time”.

By Mr. Ernst:

Q. Where does the word “lapsed” appear in the contract?—A. “The limit of time for completing the work detailed above shall be 75 days from the commencement of the unloading at one station except as provided in paragraph 12 below”.

Q. The contractor was bound to do the work in 75 days?—A. Yes.

By Mr. Ilsley:

Q. Mr. Boyle, I want to ask you a few questions. Under what clause of the contract was the rate of pay for the transportation period fixed?—A. Clause 7.

Q. I direct your attention to clause 8 and ask you whether that is the clause.—A. “(8) The rates of pay to apply under paragraph 7 and 20 shall be as follows for the different classes of men employed, inclusive of profits and all expenses in connection with this work:

Foreman, \$8 per day of 10 hours.

Carpenters, \$7 per day of 10 hours.

Handyman, \$5.50 per day of 10 hours.

Labourers, \$5 per day of 10 hours.

Q. Under that clause were these rates to be paid to MacMillan or to the men?—A. To MacMillan.

Q. Why do you say that?—A. We did not know what men he was employing.

Q. Why do you say that? Do you base what you have said on the words “inclusive of profit, and all expenses”?—A. Yes.

Q. Now, as a matter of fact, for the transportation period did you pay MacMillan those rates, that is, \$8, \$7, \$5.50 and \$5 for the respective classes of men?—A. Yes.

Q. And no more?—A. And no more.

Q. For the exact period they took in transit?—A. Yes.

Q. Going and coming?—A. Yes.

Q. On both ships?—A. Yes.

Q. And did you pay him 15 per cent on those figures?—A. No.

[Mr. A. Boyle.]

Q. In addition to that?—A. No. That is according to paragraphs 2, 3 and 4 of my memorandum.

Q. Then on the file later, I notice a telegram from the Deputy Minister, Mr. Johnston, asking for a refund of the amount paid for transit—something over \$1,200 claimed by Mr. Johnston as being overpaid for transit. Was there, as a matter of fact, any overpayment whatever for transit?—A. No.

Q. None whatever under the contract?—A. No.

Q. Was there any question about that? Has there ever been any question about that after that clause was pointed out?—A. No.

Mr. ILSLEY: I do not know whether my hon. friend is claiming that this morning or not. He started out as if he were.

Mr. ERNST: I do not claim anything. I do not imagine I am working for as good a client as Mr. MacMillan.

Mr. ILSLEY: Of course, these remarks are more or less gratuitous and uncalled for.

Mr. ERNST: That is what I am objecting to—the gratuitous part of it.

The CHAIRMAN: Any further questions?

By Mr. Ilsley:

Q. Now, with relation to the overtime: the Department paid Mr. MacMillan 15 per cent upon the overtime?—A. Yes.

Q. Which was paid to men?—A. Yes.

Q. Do you know what Mr. MacMillan paid the men—at what rate he paid the men for overtime?—A. Yes.

Q. How do you know that?—A. I have the receipts.

Mr. ERNST: Perhaps I can clarify that—

Mr. ILSLEY: You cannot clarify anything. You are only a member of the Committee and your admission does not bind anybody except yourself.

Mr. ERNST: I grant you that.

Mr. ILSLEY: Now, Mr. Chairman, I want to continue with my examination.

The CHAIRMAN: Proceed.

By Mr. Ilsley:

Q. At what rate did he pay the men for the overtime?—A. At the scheduled rate.

Q. That is, \$8, \$7, \$5.50 and \$5?—A. Yes.

Q. That is correct?—A. Yes.

Q. He paid them that plus 15 per cent?—A. Yes.

Q. Time and a half on those rates?—A. Yes.

Q. And you have receipts in your possession showing that he actually paid the men that?—A. Yes.

Q. Signed by the men?—A. Yes.

Q. And you paid him that and that he paid the men, plus 15 per cent?—A. Yes.

Q. And that amounted, on your account, to \$805.58? Is that right?—A. Yes, \$805.58.

Q. Now, does Mr. MacMillan claim in his correspondence or verbally that there was a great deal more overtime than was originally contemplated by the contract?—A. Yes.

Q. Did he base part of that on the fact that the Department had taken seven of his men and used them as stevedores, which was not in the contract?—A. Yes.

[Mr. A. Boyle.]

Q. That was part of his claim?—A. Yes.

Q. Did he also state from the very beginning of the time that the men landed at Hudson Straits they were compelled to work overtime, although the contract did not contemplate that would happen until very near the end of the time? Did he claim that?—A. Yes.

Q. And did he also claim that he was not under obligation to pay these men these datal rates until somebody in the employ of the government had divulged the rates to the men and told them they would be paid at those rates? Did he claim that?—A. Yes, he said that.

Q. And he said that after that he was compelled to pay these men these datal rates?—A. Yes.

Q. And had it not been for that he would have paid them at the lower rate, which was the monthly rate, and not have asked the Department to pay him anything except the datal rates?—A. Yes.

By Hon. Mr. Manion:

Q. Are these claims on the file?—A. Yes.

By Mr. Ilsley:

Q. And he claimed, in other words, that the basis upon which the contract had been made had been departed from by the Department?—A. Yes.

Q. And that, under the circumstances, it was only fair that he should be paid something for his overtime on this large amount of overtime?—A. Yes.

Q. And there was a dispute about it, was there not?—A. Yes.

Q. For a while between you and MacMillan?—A. Yes.

Q. And finally there was a conference between you and MacMillan and the Deputy Minister and some other men in the Department?—A. Yes.

Q. And you were convinced that it was proper to pay him the \$805.58 which he claimed?—A. Yes.

Q. Did you come to that conclusion in good faith? Were you convinced that it was proper to pay him that?—A. Yes, because if I had not been convinced I would have got the Deputy Minister to initial it.

Q. Who certified that payment of \$805.58, or whatever it was?—A. I think it was the Chairman of the expedition.

Q. It appears on the voucher printed in yesterday's proceedings with the certificate of the chairman attached to it?—A. I just want to make sure of that.

Q. Did you have any reason for thinking that Mr. MacMillan was not making that claim in good faith in view of all his letters and what he had said in Ottawa?—A. No, but as I explained at the start I did not want to pay out any money until I was certain that it was correct.

Q. Let me read you the certificate, or an extract therefrom, of Mr. N. B. McLean, which appears on page 192 of yesterday's printed report.

TIME OF MEN RETURNING FROM HUDSON STRAITS VIA STANLEY

November 11th to 28th inclusive

1 Superintendent, 18 days at \$8 per day.. . . .	\$ 144 00
1 Foreman, 18 days at \$8 per day.. . . .	144 00
7 Carpenters, 18 days at \$7 per day.. . . .	882 00
3 Handymen, 18 days at \$5.50 per day.. . . .	297 00
1 Labourer, 18 days at \$5 per day.. . . .	90 00

Total.. . . . \$1,557 00

STATEMENT OF EXTRA TIME OVER THE 75-DAY PERIOD

October 18th to November 10th inclusive.

1 Superintendent, 24 days at \$8 per day.. . . .	\$ 192 00
1 Foreman, 24 days at \$8 per day.. . . .	192 00
7 Carpenters, 24 days at \$7 per day.. . . .	1,176 00
3 Handymen, 24 days at \$5.50 per day.. . . .	396 00
1 Labourer, 24 days at \$5 per day.. . . .	120 00
	<hr/>
	\$2,076 00
Plus 15 per cent.. . . .	311 40
	<hr/>
Total.. . . .	\$2,387 40

I hereby certify that the work has been performed, the goods have been received, and the prices are fair and just.

(Sgd.) N. B. McLEAN,
Chairman Hudson Strait Expedition.

Department of Marine and Fisheries Dr. to A. S. MACMILLAN, 91 Hollis st., Halifax, N.S.:

To 15 per cent of overtime wages paid to men employed at Hudson Strait as per Vo. B.	
1119 (1927-28).. . . .	\$ 5,254 25
Vo. B. 11476 (1927-28).. . . .	18 52
Vo. B. 15788 (1927-28).. . . .	97 75
	<hr/>
	\$ 5,370 52
15 per cent of \$5,370.52.. . . .	\$ 805 58

I hereby certify that the work has been performed, the goods have been received, and the prices are fair and just.

(Sgd.) N. B. McLEAN,
Chairman Hudson Strait Expedition.

Was that the certificate upon which the payment was made?—A. Yes.

Q. And N. B. McLean was the Chairman of the expedition?—A. Yes.

Q. He was there during the whole time and knew the facts?—A. Yes.

Q. Now, one other question: there is some question about whether 73 days or 75 days were actually worked by the men for which Mr. MacMillan was paid the full contract price, and I understood you to say finally that not 73 days, but 75 days were worked by the men. Is that correct?—A. According to the memorandum of the chairman of the expedition.

Q. Of course, that included Sundays for which the men were paid overtime?—A. Yes.

Q. What clause of the contract refers to the 75-day period? Clause 6, is it not? I will read clause 6 to you and see if you can direct us to anything else in the schedule: "The limit of time for completion of the work detailed above shall be 75 days from the commencement of unloading at one station except as provided in paragraph 12 below." That is the clause which refers to the 75-day period?—A. Yes.

Q. Now, did you construe that to be 75 calendar days from the time the work started until it stopped, or did you construe it to be 75 working days, outside of Sundays?—A. I construed it to be 75 calendar days.

[Mr. A. Boyle.]

Q. If the men had not been worked overtime from the drop of the hat after they arrived at Hudson Straits, there would have been a much greater charge for an extra period, would there not?—A. Yes, because they left some men behind them and therefore it would have taken more days.

Q. And if the men instead of working 13 or 14 hours a day and Sundays had worked only 10 hours a day and there had been this extra period of work beyond the 75 day period, clearly under clause 12 you would have been obliged to pay them 15 per cent on the amount paid for that extra period? That is correct?—A. Yes.

Mr. ILSLEY: I do not think I have anything further to ask.

By Mr. Ernst:

Q. Mr. Boyle, there are one or two things I want to clear up. Would you give the Committee again the date on which the expedition left Halifax?—A. The expedition left Halifax on the 17th of July.

Q. And arrived at Hudson Straits when?—A. On the 3rd of August—arrived at the first base.

Q. And the first ship, the *Larch*, left for home on what date?—A. The 18th of October.

Q. And arrived at Halifax when?—A. The 24th of October.

Q. Carrying how many men?—A. Thirty-one men.

Q. Would you give their ratings?—A. Two foremen.

Q. At?—A. At \$8 per day; 8 carpenters at \$7 per day, 11 handymen at \$5.50 per day, and 10 labourers at \$5 per day.

Q. Did you say these men arrived at Hudson Strait on the 4th August?—A. They arrived on the 3rd.

Q. And left when?—A. On the 18th October.

Q. They left on the 18th October and arrived at Halifax, when?—A. They arrived at Halifax on the 24th October.

Q. They left on the 18th?—A. Yes.

Q. What time did the remaining men leave Hudson Strait?—A. On the 11th November.

Q. And arrived at Halifax?—A. They arrived at Quebec.

Q. When?—A. I have it on the 27th or the 28th.

Q. Of November?—A. Yes.

Q. Why are you uncertain as to the dates?—A. I think they arrived on the 27th, and there was one day for the men to return to Halifax. The men should have been returned to Halifax.

Q. Will you give the arrangements in that case?—A. One superintendent at \$8 per day, one foreman at \$8 per day, 7 carpenters at \$7 each per day, 3 handymen at \$5.50 each per day, and one labourer at \$5 per day.

Q. And the extra period here covered what period for which you paid Mr. MacMillan, it began when and ended when?—A. From the 18th October until the 10th November.

Q. Let me get this straight, Mr. Boyle. The first lot of men left for Halifax on the 18th, sailed on the 18th, is that correct?—A. Yes, on the 18th October.

Q. Thirty-one men?—A. Yes.

Q. So that their pay for the 18th October was included in the amount of wages paid during transportation?—A. These are the thirty-one men coming back?

Q. Yes.—A. On the *Larch*, they did not stay over the period.

Q. But on that day, the 18th October, they received their pay from the Department in excess of the amount paid Mr. MacMillan under the contract?—A. No.

Q. The day they sailed?—A. They received it from Mr. MacMillan.

Q. The Department paid Mr. MacMillan additional for that as part of the wages paid during transportation?—A. No. This was according to the agreement. This was transportation of the men returning, according to the contract.

Q. Yes, and they received their pay for the 18th October, or Mr. MacMillan received their pay for the 18th October, under the provision which related to transportation?—A. Yes.

Q. Can you tell me, Mr. Boyle, again what dates were reckoned in paying Mr. MacMillan wages for transportation to Hudson Strait?—A. What date?

Q. From when to when were included in the number of days?—A. July 16th to August 13th.

Q. Inclusive?—A. Yes.

The CHAIRMAN: How is it that they took 18 days for them to go and only 6 to come back?

Mr. ERNST: On account of ice conditions, I presume. Very many conditions might enter into that, in transportation. I think it is easy to understand.

The CHAIRMAN: It took only about seven days to come back, the second boat.

Mr. ERNST: If you will look at the map, you can see that conditions might vary greatly along that coast. It is quite understandable. That might be an argument against the Hudson Bay route.

By Mr. Ernst:

Q. I want to look at one other matter on the file, Mr. Boyle, with reference to the days which were taken during transportation and return; I find a memorandum from Major McLean at page 171, on the 26th January, in which he states the amount payable is \$1,472, that is for wages going on the "Larch"?—A. I have not got that, Mr. Ernst.

Q. It is on page 171 of the file; I will read it. (Reading):

With regard to the accounts for wages of men going to and from Hudson Straits, the one for the period July 16th to August 3rd, is correct, but the amount payable is \$4,472, not \$5,132.80, as according to the terms of the contract the 15 per cent claimed for "handling" cannot be allowed. The one for the period October 18th to October 24th is correct, the amount payable is \$1,095.50, not \$1,259.32, the 15 per cent is deducted in this case also.

With regard to the one submitted for the period "October 18 to to November 18th," this should read "October 29th to November 26th." In this connection I beg to draw your attention to the following—The Contract date began August 4th and continued until October 28th—a total of 86 days, but Sundays and holidays must be excluded—13 days in all—leaving 73 days as the contract period. The department is therefore responsible for the period October 29th to November 26th (the days the men arrived in Halifax), a total of 29 days—less 4 Sundays—25 days in all, and the account should be altered to read accordingly.

I have asked the Deputy Minister for a ruling as to the deductions re the contract period and the deductions re the 15 per cent added by Mr. MacMillan.

Did you have that memorandum before you during the conference with Mr. MacMillan, Mr. McLean and the Deputy Minister?—A. I do not remember the file being there at all during the conference.

[Mr. A. Boyle.]

Q. Well, substantially Mr. Boyle the way the amount was increased, ultimately increased, for wages during transportation both going and coming was by including Sundays in the days, not by any mistake in the days; there was no alteration in the days, but Sundays were included and they had not been included in the original computation?—A. Sundays were included.

Q. And they had not been included in the original computation?—A. No.

Q. So that that is the way the larger amounts were arrived at which Mr. MacMillan ultimately received?—A. Yes.

Mr. BOTHWELL: I wish to object to the question.

Mr. ERNST: Let me finish, first.

By Mr. Ernst:

Q. Mr. Boyle, under what section or paragraph did you include the Sundays, so as to increase the amount approximately to the amount which Mr. MacMillan had originally claimed?—A. Mr. MacMillan increased his claim.

Q. He increased his claim?—A. Yes.

Q. Let us get that straight; he originally put in a claim for straight days, did he not, not including Sundays?—A. Yes.

Q. That is correct, is it not?—A. Yes.

Q. And he added 15 per cent handling charges?—A. Yes.

Q. That is correct?—A. Yes.

Q. You disallowed the 15 per cent?—A. Yes.

Q. And he then put in a claim for Sundays as well.—A. Yes.

Q. And you allowed the Sundays?—A. Yes.

Q. Under what part of the contract?—A. The contract, Clause 7; "Wages will be paid by this Department during transportation to the first station where construction begins."

By Mr. Bothwell:

Q. That was the interpretation you placed on that particular clause, that it did include Sundays?—A. Yes.

By Mr. Ernst:

Q. What induced you to change your interpretation so as to include Sundays?

Mr. ILSLEY: Changed Major McLean's interpretation.

The CHAIRMAN: Was not transportation going on on Sundays?

Mr. ERNST: Certainly it was going on.

By Mr. Ernst:

Q. Is there anything in paragraph 7 which says that the men shall be paid straight time during transportation, or that Mr. MacMillan will be paid straight time during transportation, including Sundays?—A. It says the wages shall be paid by the Department during transportation.

Q. To put it bluntly, did you not meet Mr. MacMillan's wishes to increase the amount by adding in Sundays; was that not adopted as an alternative to the 15 per cent; frankly, was not that simply adopted as an alternative expedient to the 15 per cent?—A. No, I do not think so. I think Mr. MacMillan was entitled to include wages during transportation.

Q. But when did you come to the conclusion that he should be paid for Sundays during transportation?—A. I had no objection to paying Mr. MacMillan transportation from the start.

Q. I find that you certified, or in your memorandum you said he was only entitled on his way to the Strait to \$4,472. That is at page 189.

[Mr. A. Boyle.]

Mr. ILSLEY: What page in the printed record?

Mr. ERNST: I have not had an opportunity of looking at the report. The report was handed to me while I was examining.

By Mr. Ernst:

Q. The amount was 4,472?—A. I was not objecting to the Sundays, I was objecting to the 15 per cent.

Q. I realize that.—A. Yes.

Q. But you considered at that time that he was entitled to \$4,472?—A. I considered he was entitled to what I paid him.

Q. At that time you wrote the memorandum you considered he was entitled to \$4,472?—A. The account had not been checked, the amount might be wrong, but I said he was not entitled to 15 per cent.

Q. I quite agree with that, but you had the same dates you had before you subsequently?—A. Yes, but the amount was wrong; he had \$4,000 odd, plus 15 per cent.

Q. And you would not allow the 15 per cent. but you allowed him to get what he wanted by including two extra Sundays?—A. I agreed to what I thought was correct.

Q. Including two extra Sundays?—A. The contract said "during transportation".

Q. In other words, you felt you could make some show of justification for paying him for Sundays, but you could not pay him the 15 per cent; is that right?—A. No sir, I do not think it is right, because I questioned the bill and did not pay it, but I paid him what I thought he should be paid.

Q. Well, Mr. Boyle, you had Major McLean's data before you, from July 16th to August 3rd, en route to Hudson Bay, did you reckon up the number of days?—A. Sixteen working days.

Q. You reckoned it up at that time when you prepared the memorandum?—A. I did not reckon up anything at all. I reckoned up that he should not get paid the fifteen per cent.

Q. But in preparing your memorandum to the Deputy Minister, who apparently asked you what Mr. MacMillan was entitled to under his claims, you did not check up the number of days?—A. No, I was only dealing with the fifteen per cent.

Q. You were not dealing with Mr. MacMillan's claims?—A. No.

Q. You were just reporting on the fifteen per cent?—A. Yes.

Mr. ILSLEY: He was dealing with that point.

By Mr. Ernst:

Q. Was not the request from the Deputy Minister for a report on Mr. MacMillan's claim as a whole?—A. I made this out simply to show what I deducted.

Q. And when you figured up what Mr. MacMillan was entitled to, you did not check up the number of days but you figured that you owed Mr. MacMillan \$5,030.51, is that right? I do not know, Mr. Chairman, on what principle two witnesses collaborate.

The CHAIRMAN: The other gentleman is turning up the files for the witness.

The WITNESS: He is not prompting me.

By Mr. Ernst:

Q. At that time, you concluded your report, "To sum up there is a net balance due under all points of the contract of \$5,030.51, as per attached sheet," did you not?—A. That is what the memorandum says.

[Mr. A. Boyle.]

Q. And you paid Mr. MacMillan eventually approximately \$14,000? You paid his claim as at page 189, in full?—A. We paid him \$5,310.

Q. Under your memorandum, at page 189, you said "To sum up, there is a net balance under all points of the contract of \$5,030.51 as per attached sheet" is that right?—A. Yes.

By Mr. Ilsley:

Q. What date is that memorandum?—A. Feb. 9th, 1928.

By Mr. Ernst:

Q. Is that right, Mr. Boyle?—A. That is what my memorandum says.

Q. "Under all points of the contract"?—A. That is what my memorandum says.

Q. And you certified to the Deputy Minister what there was due under all points of the contract, without checking up the days?—A. Yes, we checked up the days.

Q. And at that time you thought Mr. MacMillan was entitled to \$4,472 for transportation to Hudson Strait?—A. Yes.

Q. And you eventually paid Mr. MacMillan the full amount of his claim as submitted on the 24th January, and which appears on page 169 of the file?—A. Yes.

Q. \$14,810.65.

By Mr. Ilsley:

Q. Because you came to the conclusion that your memorandum was wrong, is that not correct?

By Mr. Ernst:

Q. Just one minute please. The witness is quite capable of answering. I asked him what he eventually paid.—A. Yes.

Mr. ILSLEY: What was the question that that answer was given to?

Mr. ERNST: I asked him if they paid the claim in full as submitted on the 24th January and as appears in page 169.

Mr. ILSLEY: What was the amount?

Mr. ERNST: \$14,830.65.

By Mr. Ilsley:

Q. And do you tell us, Mr. Boyle, that you eventually paid him \$14,830.65?—A. No. We paid him the difference between,—we paid him \$5,030.51.

Q. Will you turn to page 169 and take Mr. MacMillan's statement and point out anything in that which was disallowed to him, as submitted on the 24th January?—A. I have not got that.

Q. I will pass it to you and will you point out anything which was disallowed. I mean in respect to the contract for labour, was there any item in that account which was disallowed?—A. In Mr. MacMillan's statement he claims \$29,463, and he was paid for that—

By Mr. Ilsley:

Q. What is that, please?—A. According to this statement Mr. MacMillan claimed \$29,463 for the contract, and we paid him that. Then there was extra material—

Mr. ERNST: I mean the labour.

Mr. ILSLEY: You will have to take the whole thing; you cannot take it piece-meal.

[Mr. A. Boyle.]

Mr. ERNST: I am not interested in materials, because I do not know anything about that.

Mr. ILSLEY: We want to know whether that \$29,463 was paid.

Mr. ERNST: To make it plain, I will limit it to all items for the labour contract.

Mr. BOTHWELL: Mr. Chairman, Mr. Ernst has asked about this statement appearing at page 174 of the printed report, and he wants to know whether the balance shown on that account, \$14,830.65 was paid.

Mr. RYCKMAN: His question was limited to the labour item. If you want to ask him something else, you can do it later on.

The WITNESS: The statement includes labour and material. Now he shows here the contract, \$29,463. He got paid that. He has got extra material, for skidways, and I have taken that out. He got paid it. You asked did Mr. MacMillan get paid the \$14,830 which he did.

Mr. ILSLEY: He might take them item by item and tell us what was paid.

The WITNESS: The material and all?

Q. Yes, go on.—A. Extra material and skidways, \$145.92, was paid; extra moving material—shed No. 22—\$528.48 was paid. Extra painting bundles, \$5,307.05 was paid. Men going via the Larch, \$5,310.50 was paid. Men returning via the Larch, \$1,277.50 was paid. Extra time over the 75 day period plus 15 per cent, \$2,387.40 was paid. Men returning via the Stanley, \$1,557 was paid. Overtime paid men, \$6,176.10—

By Mr. Ilsley:

Q. There was a deduction there, was there?

By Mr. Ernst:

Q. There were several cheques in connection with the overtime. Does that \$6,176.10 include them all?—A. Yes.

Q. Including the 15 per cent?—A. Yes.

By Mr. Ilsley:

Q. What is the figure you paid?—A. \$6,176.10. Merchandise supplied department, \$106.80. Merchandise supplied E. Dorey, cook, \$16.20, paid. Merchandise supplied Fuller, \$54.05, paid. That makes it \$52,564.13.

By Mr. Smoke:

Q. How much less than that was paid?—A. Less than that was paid.

Mr. ERNST: \$52,327.

The WITNESS: \$237.13 less.

By Mr. Ernst:

Q. One question more. How many men altogether did Mr. MacMillan take to the Hudson Strait?—A. 46 men.

Q. Give the ratings and rates of pay.—A. I cannot give you that.

Q. You will find it on the statement attached to one of the vouchers where they were going on the Larch. They all went on the Larch together?—A. You mean to give the positions?

Q. Yes.—A. Well, there is one superintendent.

Q. I am curious. Who was that superintendent? I have been unable to find any record of him in the timesheets. I have not examined those receipts. Dennis Moriarty?—A. Yes. 3 foremen.

[Mr. A. Boyle.]

Q. Who were the 3 foremen?

Mr. ILSLEY: Is this material, Mr. Chairman? I cannot see the materiality of it now. On what ground is Mr. Ernst asking the names of these men?

The CHAIRMAN: It may be material. We may want these men here as witnesses.

The WITNESS: R. J. Butler, F. C. Campbell and B. N. Myers.

By Mr. Ernst:

Q. All four of those were rated at 80 cents per hour?—A. \$8 per day, all four.

Q. Per day of ten hours?—A. Yes.

Q. Will you give us the other ratings?—A. 15 carpenters.

Q. At what rate?—A. At \$7 per day.

Q. Yes, the next rating?—A. 15 handymen at \$5.50 per day; 12 labourers at \$5 per day.

Q. Making a total of?—A. Of 46.

Q. Let me get this fact correctly too. On the ultimate interpretation placed on the contract by the Department, Mr. MacMillan received \$29,463 for 75 straight days' time for those 46 men?—A. Yes.

Q. Reckoned as straight days, or reckoned on a monthly basis, two and one-half months?—A. No, he got that money for—

Q. 75 days straight time from the time they landed?—A. Yes.

Q. And all the time outside that was paid additional?—A. Yes.

Q. And all overtime was paid additional?—A. Yes.

Q. And all lost time was paid additional?—A. I do not know whether there was any lost time or not.

Mr. ILSLEY: What do you mean by "lost time"?

Mr. ERNST: Time when it was unfit for them to work.

By Mr. Ernst:

Q. On page 101 of the file appears the Order-in-Council under which payments were made to Mr. MacMillan.

Mr. ILSLEY: What do you mean by "straight days"—

Mr. ERNST: Just a moment, let him answer my question.

By Mr. Ernst:

Q. I will not read the preamble. Paragraph 1 reads:

1. Mr. MacMillan should provide the necessary labour to carry out the work required for the sum of \$29,463 on the basis of completing the work within a period of seventy-five (75) days from commencement, the working day to be ten (10) hours.

2. The Department to pay the men prevailing wages to and from the Hudson Strait, and during any periods they were unable to work through unforeseen conditions.

3. The Department to provide board and lodging for the men from the time of leaving Halifax until their return.

And then follow provisions with respect to overtime and extra time.

Mr. ILSLEY: What is the question?

By Mr. Ernst:

Q. What I have asked you, Mr. Boyle, is this: Mr. MacMillan received as his contract price for the wages, or for the hire of forty-six men, for two and one-half months, \$29,463.—A. He received an amount of money for the 75 day period.

[Mr. A. Boyle.]

Q. And any time outside the 75 day period was paid extra?—A. Yes.

Q. Now, Mr. Ilsley made some reference to a claim of Mr. MacMillan for men employed stevedoring. Do you recollect that?—A. That is according to Mr. MacMillan's letter.

Mr. ILSLEY: I asked the witness to clear up this question of straight days, and my learned friend asked me to wait until he finished asking his question. Now I would like to ask my question, as to what my learned friend meant by the item "75 straight days". I did not understand what the witness meant. My learned friend asked whether the figure \$29,463 was to be paid for 75 straight days.

By Mr. Ilsley:

Q. I think you answered "Yes". Now, what do you mean by that?

Hon. Mr. RYCKMAN: What does he mean by "Yes"?

Mr. ILSLEY: My hon. friend is very facetious and extremely humorous, but what I am asking him is what he means by 75 straight days.

The CHAIRMAN: The term was used by Mr. Ernst. Perhaps he can elucidate?

Mr. ERNST: I asked the witness, Mr. Chairman, if Mr. MacMillan was not paid ultimately on the basis of his contract, the 75 days being straight time, reckoned as straight time.

The CHAIRMAN: Well, what is straight time?

Mr. ERNST: It includes Sundays and legal holidays, between calendar dates, 75 days.

By Mr. Ernst:

Q. Mr. MacMillan was paid for the 75 days, \$29,463, with all other items additional?—A. Yes.

Q. Excepting that Mr. MacMillan had to provide tools, oilskins and rubber boots for the men.

The CHAIRMAN: Are you clear on that now, Mr. Ilsley?

Mr. ILSLEY: I am not clear, Mr. Chairman, I am clear on this, that the Order-in-Council does not have anything to do with the contract. It is the contract that governs.

Mr. ERNST: I am talking about the payments, Mr. Chairman. I am asking the witness. He is the Chief Accountant, and he had to finally approve them and make out the cheques.

By Mr. Ilsley:

Q. Mr. Boyle, you say he is getting paid for the work of these men. There was certainly a great deal more for Mr. MacMillan to do than merely to supply the labour of these men, was there not?—A. Yes.

Q. It was to erect buildings, and that involved getting the men together, exercising his judgment in the selection of the men so as to get good men, the risk he took, supplies he had to furnish, all those things entered into it? It was not, as my hon. friend says, simply to supply the labour of so many men for so many days.

The CHAIRMAN: Was there a physician provided for this expedition? It was of nearly 50 men.

Mr. ERNST: I do not know what the Department had; I noticed a telegram in the file, which was not read, stating that one of the men was ill, and asking that a ship be rushed to take him away.

[Mr. A. Boyle.]

By Mr. Ernst:

Q. Did I get the list of the handymen and labourers from you?—A. Yes.

Q. I got the whole thing?—A. Yes.

Q. Mr. Ilsley made reference to Mr. MacMillan's claim that seven of his men had been employed at other than contract work during the time they were up there. Did you submit that claim to Mr. McLean?—A. No.

Q. I find in the record a memorandum from Mr. McLean to the Chief Accountant, at pages 185 and 186 of the report containing a statement that the claim is entirely without foundation.—A. Does it refer to a memorandum of nine?

Q. (Reading):

Memorandum re contracts with A. S. MacMillan, Halifax, in connection with the Hudson Strait Expedition

To provide all requisite materials necessary for the various buildings, etc., for the expedition, and to manufacture same to the various shapes and cut to fit as per specification and drawings prepared by the Department for the sum of \$ 37,644 00

Extras incurred on this contract:—

Painting bundles.	5,307 05
Materials.	3,401 99
Moving materials in shed 22.	525 48

\$ 46,878 52

II—CONTRACT FOR LABOUR

To furnish necessary labour to erect buildings, set up derricks, put in concrete foundations.

Q. That was the reply and the ultimate disposal of the claim?—A. Yes.

Q. And it was not taken into account any further?—A. It could not have been.

The witness retired.

The Committee adjourned until 4 p.m.

AFTERNOON SESSION

The Committee resumed at 4 p.m., Mr. Jacobs in the Chair.

A. BOYLE recalled.

The CHAIRMAN: Proceed Mr. Ernst?

MR. ERNST: Mr. Chairman, I understood from my friend Mr. Ryckman that he had a question or two to ask of Mr. Boyle this morning. I had finished with Mr. Boyle, unless some other member of the Committee had something to ask.

HON. MR. RYCKMAN: I have one or two questions I would like to ask Mr. Boyle.

[Mr. A. Boyle.]

By Hon. Mr. Ryckman:

Q. I understood you to say, Mr. Boyle, that the error in computing the 75-day period was discovered by you, or by somebody in your Department; is that correct?—A. That is correct.

Q. Who in the Department discovered it?—A. One of my officials.

Q. What is his name?—A. Mr. Steeves.

Q. Mr. Steeves spoke to you about it; when did you first hear that there was an error in the computation of the 75-day period?—A. When he was checking the account.

Q. When he was checking the account?—A. Yes.

Q. And he reported to you at that time?—A. He would report it to me at that time.

Q. Well, did he?—A. Yes, he did, now that I remember.

Mr. ERNST: Mr. Chairman, may I interrupt? I do not believe there is any reference to the files. I may be mistaken, and I do not want to do anybody an injustice, but, it seems to me that I heard the gentleman sitting on the left side of Mr. Boyle whispering to him.

An hon. MEMBER: It happened this morning.

Mr. HANSON: It would be a scandalous proceeding if a witness were prompted.

Mr. PARENT: Mr. Ernst has put the words into the mouth of the witness upon many occasions.

Mr. ERNST: What is your name?

Mr. STEEVES: My name is Steeves.

Mr. ERNST: Have you been prompting Mr. Boyle just now?

Mr. STEEVES: No.

Mr. ERNST: Did you whisper the word "yes"?

The WITNESS: Yes.

Mr. PARENT: I object.

The CHAIRMAN: That is neither here nor there.

Mr. ERNST: It is very much here or there, Mr. Chairman.

Hon. Mr. RYCKMAN: He asks him if he whispered the words, and he says "possibly".

Mr. ERNST: Why should we have the witness prompted, by the man on his right?

Mr. PARENT: Are you afraid of the truth?

Mr. ERNST: I am not afraid of the truth, but I am afraid of prompting.

Mr. BEAUBIEN: The witness is under oath, and is responsible for what he is saying.

The CHAIRMAN: Up to the present time we have been going into a lot of intricate figures, and Mr. Steeves has been giving a lot of information to Mr. Boyle which he could not give so rapidly to the Committee.

Mr. HANSON: A question of principle is involved.

Mr. ERNST: Then it is not Mr. Boyle's evidence.

The CHAIRMAN: It is a question of figures; they are both accountants from the same Department; and he is elucidating the matter for the benefit of the Committee, as well as Mr. Boyle.

Mr. ERNST: The point I want to make is that Mr. Boyle was asked a question which could be answered "Yes" or "No" and I distinctly heard Mr. Steeves whisper "Yes", Mr. Boyle answered "Yes", and I object.

[Mr. A. Boyle.]

The CHAIRMAN: That is something different from the matter of giving figures.

Mr. ERNST: He should be moved away, and if he wants to give figures he can return.

Mr. ILSLEY: Mr. Steeves is the man who has the information, and he has been furnishing it to his superior, just as a Deputy Minister does for his Minister in Parliament. If my friends take the point that Mr. Boyle is under oath and Mr. Steeves is not under oath, he can be put on oath.

Mr. HANSON: The position is not analogous at all.

Mr. PARENT: Refer it to the witness, and let him speak for himself.

Mr. ERNST: He is the man who should speak for himself.

Hon. Mr. RYCKMAN: You are on oath, Mr. Boyle, as you understand, and Mr. Steeves, if that is his name, is not under oath.

Mr. THORSON: Put him under oath now, so that we can get the information. There is nothing to prevent us from putting Mr. Steeves under oath now so that we can get the information from the two of them together.

The CHAIRMAN: Mr. Boyle would be giving hearsay evidence.

Mr. ERNST: That is what he has been doing all morning, Mr. Chairman.

The CHAIRMAN: I understood that it was with your concurrence.

Mr. ERNST: No, except on the files and the pages, and the figures.

The CHAIRMAN: The figures are before us.

By Hon. Mr. Ryckman:

Q. When we were interrupted, Mr. Boyle, I was going on to say that if you in your statement say you wish to consult Mr. Steeves about it, I think the Committee will be glad that you should do so, but we think we should hear what you say to Mr. Steeves and what Mr. Steeves says to you.

Mr. PARENT: You cannot do that, because you protested against it.

WITNESS: The regular proceeding would be that Mr. Steeves would hand the account to me; that would be the regular proceeding, because he has to report direct to his superior officer. It was Mr. Steeves who checked this account, and that is why Mr. Steeves is here, for the figures; he is more acquainted with them really than I am.

The CHAIRMAN: All right.

By Hon. Mr. Ryckman:

Q. Mr. Steeves is the man who discovered the discrepancy in the days?—A. Yes.

Mr. THORSON: How would he know unless Mr. Steeves told him?

Hon. Mr. RYCKMAN: He says so.

Mr. THORSON: But how does he know unless Steeves told him?

Hon. Mr. RYCKMAN: I am cross-examining him.

Mr. THORSON: You are willing to take secondary evidence now.

Hon. Mr. RYCKMAN: No, I am not, I am taking his statement.

By Hon. Mr. Ryckman:

Q. When did Mr. Steeves inform you?—A. I cannot tell you, sir.

Q. You came pretty close to it this morning; in what month?—A. Going by this memorandum, it would be some time in March.

Q. Some time in March?—A. Yes.

[Mr. A. Boyle.]

Q. Did Mr. Steeves hand you any paper in regard to his discovery?—A. In fact it was Mr. Steeves who wrote this memorandum.

Q. What is that memorandum, what was it for?—A. It is a memorandum the Deputy Minister wanted in connection with the claims Mr. MacMillan had against the Department.

Q. It is on the file, of course?—A. Yes.

Q. What file page is it?—A. This a copy, sir.

The CHAIRMAN: I think it is printed in yesterday's proceedings, is it not?

By Hon. Mr. Ryckman:

Q. It is in the printed report?—A. Yes.

Q. How many days out was the previous record according to Mr. Steeves; in other words, a mistake of how many days had been made?—A. I will have to see the file now; he is just getting the files.

Mr. ILSLEY: Are you speaking about the memorandum of February 2nd or February 9th?

Mr. ERNST: February 9th.

Mr. ILSLEY: Is it on page 182 of the printed proceedings of yesterday; is that the one you are speaking of?

WITNESS: Yes, that is the one.

Mr. ILSLEY: February 9th.

By Hon. Mr. Ryckman:

Q. Not to lose time, you are going to tell me, when you get the information, what was the number of days involved in the mistake? Now, referring to this memorandum on page 182, signed by you, dated February 9, 1928, when you signed that memorandum had you any knowledge of the mistake in days?—A. Not as far as I remember.

Q. The second paragraph of that memorandum contains these words of yours, "The \$4,472 covers a period of 16 days including the day prior to the sailing of the Larch and is correct." Is that true, in the light of what has subsequently been discovered?—A. You refer, sir, to the 19 days which were passed?

Q. I am asking you for my own information. What was the number of days that were found to be not taken into account?—A. I think he had 16 days, and we made it 19 days.

Q. Then the mistake in days was 3 days, is that it?—A. As far as I remember, yes.

Q. Now, in the light of the discovery of that mistake, is the statement which you made February 2nd, which I have read, namely:

The \$4,472 covers the period of 16 days including the day prior to the sailing of the Larch and is correct.

Mr. ILSLEY: February 9th, you mean.

By Mr. Ryckman:

Q. The statement is dated February 9th. It was with reference to Mr. MacMillan's letter of February 2nd. Would you get your memorandum of February 9th.—A. I have a copy of it here.

Q. Now, will you refer to the 2nd paragraph of it, paragraph No. 2, and see if any alteration must be made in your statement there, which I have read to you?—A. Yes, it said "The \$4,472 covers a period of 16 days including the days prior to the sailing of the Larch and is correct."

[Mr. A. Boyle.]

Q. Would you change that at all, in view of the discovery of the three missing days?—A. Yes sir.

Mr. TAYLOR: Surely, Mr. Chairman, this is but a repetition; it is only wasting time, repeating what we heard this morning.

Mr. HANSON: If any member of the Committee wishes to ask a question over again, he has a right to do it.

Mr. TAYLOR: Are you a member of the Committee?

Mr. HANSON: Yes, I am, or I would not be here.

Hon. Mr. RYCKMAN: I have a right to ask a question, Mr. Chairman?

The CHAIRMAN: Yes, you have not asked it before.

Mr. TAYLOR: Apparently, Mr. Chairman, this is a great joke, and apparently that is all it is, and we have been having it all the morning.

Mr. HANSON: There are other jokes.

By Hon. Mr. Ryckman:

Q. This statement appears, the second sentence of the third paragraph of your memorandum: "The \$1,095.50 covers a period of six days from the date of sailing from Port Burwell to date of arrival at Halifax and is correct, the amount due being therefore \$1,095.50." That is incorrect in view of the later discovery?—A. Yes sir, \$1,277.50.

Q. Did you alter the period of days by reason of the discovery of the subsequent mistake?—A. We altered this one, Sir, from 16 to 19, as I remember it.

Q. Does the six days mentioned in the third paragraph in any way cover any of these missing days? In other words, if you wrote that paragraph again, would you put it in just the way you have put it there?—A. No, I would not.

Mr. THORSON: Who wrote that paragraph? He says that statement was prepared by Mr. Steeves, as I understand. Now why should we not have Mr. Steeves on oath as well, so that if this witness cannot give the evidence Mr. Steeves can. We had last year, in the Pensions Committee, several people continuously under oath, and when one was not able to give the information which the Committee wanted, the Committee called upon another one. Why cannot Mr. Steeves be put on oath now, so that if this witness cannot say as to any particular item, he can say that Mr. Steeves prepared this, and then the Committee can get at the facts?

Hon. Mr. RYCKMAN: I have made no reference to Mr. Steeves in my questions put to Mr. Boyle.

Mr. THORSON: We will get at the facts in a consecutive way, if we do that.

Hon. Mr. RYCKMAN: I want to get Mr. Boyle's testimony, as he signed the memorandum I understand.

Mr. THORSON: We adopted the procedure I have mentioned in the Pensions Committee last year, and I do not see why we cannot do that here and get at the facts.

The CHAIRMAN: I think we will have to apply the ordinary rule. Mr. Ryckman has control of the witness, and if he does not wish to proceed in that way we cannot force him.

Mr. PARENT: Unless Mr. Boyle will state he was not sufficiently acquainted with the facts.

An Hon. MEMBER: Then why should he sign that?

Mr. THORSON: I have seen superior officers sign reports prepared by their subordinates.

[Mr. A. Boyle.]

By Hon. Mr. Ryckman:

Q. Now, going on to the last subject of the fourth paragraph, it reads, "This makes 25 working days and reduces the amount to \$2,162.50 which is correct and is the amount due." Does that number of days, 25, have to be altered in view of the subsequent discovery of the mistake? If you want to ask Mr. Steeves I have no objection.

Mr. THORSON: There you are. The witness turns to Mr. Steeves to ask for the information, so why not swear Mr. Steeves now, so that Mr. Boyle may refer to Mr. Steeves? Then we can ask Mr. Steeves; and then we will get somewhere. This memorandum was prepared by Mr. Steeves, and we are anxious to find out the facts from the person who knows them best.

Hon. Mr. RYCKMAN: You would not take the man who signed the memorandum?

Mr. THORSON: Every person knows that the senior officer signs memoranda prepared by his subordinates. That is done regularly.

By Hon. Mr. Ryckman:

Q. Mr. Boyle, can you tell me what overtime was authorized and how overtime was authorized?—A. I can tell you what overtime was paid for, Sir, but I cannot tell you why it was authorized.

Q. Would there be a written authorization?—A. Not as far as I am aware. I had nothing to do with that.

By the Chairman:

Q. Who has, Mr. Boyle?—A. The Chairman of the expedition.

Q. That is Major McLean?—A. Yes.

By Hon. Mr. Ryckman:

Q. Why was there no written authorization?—A. Well, they were up North, Sir.

Q. But they have not got writer's cramp on account of the cold up there. I am asking you who authorized overtime work, and what overtime work was authorized, so far as you know, and the ground for it.—A. Well, who authorized it was Major McLean.

Q. Have you seen any written memoranda in any way relating to overtime, except as to wages?—A. No Sir, I took his signature for the overtime. And why it was authorized, I do not know.

Q. And can you tell me now how many days overtime, that is, beyond the contract period, Mr. MacMillan was paid for? I just want the number of days.

A. I cannot give you the number of days but I can give you the amount.

Q. You cannot tell me the number of days?—A. No, we have it.

Q. Could Mr. Steeves tell you?—A. Yes.

Hon. Mr. RYCKMAN: We may have him in the box.

Mr. THORSON: There you are.

By Mr. Hanson:

Q. Mr. Boyle, I have not been able to attend the meetings of this Committee here before, and I may not be here again, but I want you to tell me just what would be the functions of yourself in relation to these accounts.—A. As already explained this morning, in connection with the department, all accounts go to the purchasing agent.

Q. That is Mr. Flood?—A. Yes. And he signs them and they come down to me for payment.

[Mr. A. Boyle.]

Q. And what are your functions in relation to looking into the question of whether or not they should be paid?—A. I try, as far as possible, not to pay anything we should not pay.

Q. So that the function of your office is fairly wide, in other words, it is a pre-audit to payment that you make?—A. I look upon it in that way.

Q. You are protecting the public?—A. Yes.

Q. Unquestionably then, taking the wide view which you do of your functions, and very properly so in my judgment, you are called upon to construe the terms of the contract from time to time, in other words the first thing you do is to make yourself familiar with the terms of the contract, is it not?—

A. I must do that.

Q. You must do that before you can take any intelligent view of the accounts?—A. Well I make my men read over the contract.

Q. And you yourself do?—A. I try to read over them all.

Q. And you read this one?—A. Yes.

Q. And it follows then, having regard to the function which you say you undertook to perform, that the question of the contract and its application would inevitably arise from time to time, does it not?—A. It did arise two or three times.

Q. It arose in respect to overtime, for instance? It arose in respect to Sundays we will say—extra time?—A. Yes, sir, and percentages.

Q. As to whether there should be percentages on certain payrolls or not?—A. Yes.

Q. And you were called upon in the exercise of your function to construe the contract as to what it meant—whether there should be payments for Sunday or not, or whether there should be percentages on payrolls or not? Did that not arise?—A. In this case it did.

Q. Now, following on that you, as I understand it, and the officers of your Department submitted in this memorandum of the 2nd of February, in which you concurred even if you did not prepare it, that for wages en route they were entitled only to sixteen days? That was the considered judgment of your Department, was it not?—A. No, it was not.

Q. Then this statement in paragraph 2 of the memorandum of February 9th, 1928, was not a considered statement of your Department?—A. No, sir.

Q. Was it just made up for fun?—A. No, sir.

Q. What was it made for if it was not a considered statement?—A. It was a statement as my assistant had taken the contract to be.

Q. It is a considered statement of the judgment of your assistant?—A. Yes, sir.

Q. And you concurred by signing your name to it?—A. Yes, sir. I did not know the details of the invoices, but I concurred in deducting 15 per cent.

Q. Did you not concur in the whole memorandum?

The CHAIRMAN: He signed it, Mr. Hanson.

Mr. HANSON: I quite agree. He must have concurred. I want the answer of the witness, though.

By Mr. Ilsley:

Q. Did you check those amounts?—A. No, I did not.

Q. You relied on your assistant?

Mr. HANSON: I am not asking him if he checked the amounts.

Mr. ILSLEY: I am; that is the difference, I am.

Mr. HANSON: Will you please reserve your questions until I am through?

Mr. ILSLEY: Not necessarily.

Mr. HANSON: Then the witness is your for the time being. Go on.

Mr. ILSLEY: I will ask the questions as I see fit. You may proceed.

Mr. HANSON: All right, then I will go on. Thanks for the interruption.

By Mr. Hanson:

Q. I call your attention to paragraph 7 of the memorandum, "To sum up there is a net balance due under all points of the contract of \$5,030.51 as per attached sheet." You concurred in that statement?—A. I signed that statement.

Q. What was the purpose of your signing this statement?—A. Because I understood that it was correct.

Q. Therefore, as expressing your concurrence in the whole statement.

Mr. THORSON: You can take whatever significance you like from the signature of the witness.

Mr. HANSON: I would rather take the statement of the witness than Mr. Thorson's for the time being.

By Mr. Hanson:

Q. You concurred in the whole statement, Mr. Boyle, and the truth of every statement contained therein, by putting your signature there?—A. I did.

Q. Now then this statement was the considered judgment based on his knowledge of the facts of your assistant, Mr. Steeves?—A. Yes.

Q. Now, there came a point of time when it was disputed by somebody, we will say MacMillan—I am not familiar enough with the details to know, but Mr. MacMillan or his representative must have disputed certain points in this memorandum. They were demanding more money?—A. No, I do not think they were.

Q. They got more money?—A. Yes, they got more money.

Q. That must have been as a result of the difference of opinion—I will put it that way—as to the correctness of this memorandum.

Mr. THORSON: Was it?

Mr. HANSON: I don't know.

Mr. THORSON: Then do not ask him if it must not have been.

By Mr. Hanson:

Q. It was the difference of opinion between the claimant and your department, as expressed by this memorandum?—A. No, I do not think it was.

Q. Then how did it arise?

Mr. THORSON: That is better.

The WITNESS: Because in checking the accounts here is the contract and I might read it one way.

By Mr. Hanson:

Q. You may put one construction on it?—A. Yes.

Q. And somebody else might very properly have a difference of opinion?—A. Yes.

Q. Now, when you arrived at that point where there was a difference of opinion between your construction and the construction placed upon it by the contractor, to whom did you refer it?

Mr. BOTHWELL: He did not say that there was a difference of opinion.

The WITNESS: So far as my memory serves me, the contractor did not claim that.

[Mr. A. Boyle.]

By Mr. Hanson:

Q. Who did for him?—A. We did.

Q. So you tell the Committee that without any representations, directly or indirectly, expressed or implied, you altered this considered opinion of your Department off your own bat?—A. No, not off my own bat.

Q. Off whose bat?—A. In the Department.

Q. Off whose bat?—A. Along with Major McLean.

Q. Then you discussed the matter with Major McLean, did you?—A. I guess I did.

Q. Is there any doubt about it?—A. I don't remember.

Q. He was the man in charge of the work up there, was he not?—A. Yes.

Q. And I think he is referred to as the "Officer-in-charge"?—A. Yes.

Q. And naturally if any question arose that you could not settle for yourself you would refer it to him, would you not?—A. Yes, and I would refer it to the Purchase Branch.

Q. That would be Mr. Flood?—A. Yes.

Q. You would refer it not only to Mr. McLean, the officer-in-charge, but to the Purchase Branch, that is, Mr. Flood?—A. As a rule, I would do that.

Q. Did you do it in this case?—A. I cannot say; I do not remember.

Q. You have no recollection?—A. I have no recollection.

Q. There is nothing on the file to indicate that it was in writing?—A. As my memory serves me, no.

Q. Then I put it to you, why did you change the elements of this memorandum of the 9th of February which you say was a considered judgment of your assistant and which you concurred in by attaching your signature? Why did you make the change which altered the gross revenue coming to Mr. MacMillan?—A. Because paragraph 7 of the schedule says that wages will be paid by the Department during transportation.

Q. And did you ever pause to inquire what the ordinary course of business was in, we will say, an industrial corporation, as to whether they paid for Sundays? Sundays seemed to be the crux of the whole thing.—A. If a man is away as a rule they pay him.

Mr. HANSON: That is not my practice, I can tell you that.

Mr. ILSLEY: Why not be sworn? I object to your evidence.

Mr. HANSON: That is evidence on this point.

Mr. ILSLEY: That is the point upon which you are giving evidence.

Mr. HANSON: Are you through now?

Mr. ILSLEY: For the time being.

By Mr. Hanson:

Q. Who called your attention to the Sundays?

Mr. THORSON: First of all, ask him if anybody did.

The WITNESS: It was in the Department; it certainly was not Mr. MacMillan.

By Mr. Hanson:

Q. Your attention was called to it by somebody in the Department?—A. Yes.

Q. Give us the name of this gentleman in the Department.—A. I have told you that I would consult with Mr. McLean.

Q. Mr. McLean did not approve, as a matter of fact, of certain portions of these changes.

[Mr. A. Boyle.]

The CHAIRMAN: I do not want to interrupt you, but for your information all of that was gone into yesterday.

Mr. HANSON: I apologized at the very beginning and said that I had not been here before and may not be here again.

Mr. THORSON: Let him have his chance to-day.

Mr. HANSON: A man must have his fling once in a while.

Mr. McDIARMID: It is rather rough on Mr. Boyle.

Mr. HANSON: If he is suffering, we will let him stand aside.

The CHAIRMAN: It is all in the printed proceedings.

Mr. HANSON: I have not even had the time to read them.

The CHAIRMAN: Well, to-morrow is Ascension Day. You know we get paid here for Sundays and holidays.

By Mr. Hanson:

Q. Who was the man in the Department?—A. I do not know, but it was not the Deputy Minister.

Q. Why are you so anxious to protect the Deputy Minister?

The CHAIRMAN: No; that is not a fair question. He did not express any anxiety.

Mr. HANSON: We all have our opinions about these things. I asked him the name of the gentleman in the Department who interposed, and he came back with a reply that it certainly was not the Deputy Minister.

Mr. ILSLEY: Because Mr. Ernst tried to push that into him this morning by question after question.

Mr. McDIARMID: The witness has said two or three times that he did not know.

The WITNESS: I cannot tell you.

Mr. HANSON: If you cannot tell me, that is a perfectly proper answer, if it is an honest answer, and I am taking it for granted that it is.

The WITNESS: Pardon me, it is honest.

Mr. HANSON: If you give me your assurance that it is honest, that is all I want.

The WITNESS: Thank you.

By Mr. Hanson:

Q. Then why did you give me the negative answer that it was not the Deputy Minister?—A. You tried—

Q. I tried nothing. I never mentioned him.—A. You were after me to find out who it was, and I said that I really did not know.

Q. I did not catch that part of your answer, but why did you say that it was not the Deputy Minister? Why did you say that?—A. Afterwards—because you were after me to find out who it was—

Q. And you were going to protect the Deputy Minister at all hazards?

The CHAIRMAN: That is not fair, Mr. Hanson.

The WITNESS: No, sir.

Mr. HANSON: I think it is a perfectly fair cross-examination.

Mr. THORSON: It is hardly fair.

By Mr. Hanson:

Q. And you cannot tell me who suggested the alterations after this statement had been made up?—A. I have already told you that from memory I cannot.

Q. And you have taken no pains to refresh your memory?—A. No, I have not.

[Mr. A. Boyle.]

Q. Have you made any inquiry since this investigation was opened?—A. I have altered another account and I did not—

Q. Perhaps you did not catch my question. Have you made any inquiry as to who it was that brought this matter to your attention and caused the change to be made? We want to fix the responsibility if we can.—A. No sir.

Q. You have not made any inquiry?—A. No sir.

Q. And you do not intend to, I suppose?

Mr. THORSON: That is hardly a fair question.

The CHAIRMAN: The witness can only speak of past events. What he intends to do is not relevant.

Mr. HANSON: He has not answered the question.

Mr. THORSON: It is hardly relevant to the inquiry.

By Mr. Hanson:

Q. It was somebody in the Department who brought this to your attention?—A. It must have been.

Q. Why do you say that it must have been? It may have been somebody outside the Department.—A. As I have already told you, I do not know.

Q. But you do say that it is somebody in the Department? Did I understand you rightly?—A. I am on oath, and it must have been, so far as my memory serves.

Q. You arrive at that by a process of elimination? It was not Mr. MacMillan or his representative?—A. I am almost certain that it was not.

Q. It was not the Deputy Minister?—A. I am almost certain that it was not.

Q. Is there any doubt about that?—A. I do not think that there is.

Q. You are not certain?—A. I am on oath—

Q. When you say "I am almost certain" you see it leaves a little door open.—A. If I say that I am certain, I am on oath—

Q. Was it Mr. Flood who called your attention to it?

Mr. TAYLOR: The witness has already said that he did not know. What is the use of going over all this? It is wasting the time of the Committee. Why cannot we make some headway and get somewhere? We are just repeating over again what was said this morning. Mr. Ernst went over all of this. The witness said that he did not know; what is the use of putting a man's name into his mouth?

By Mr. Hanson:

Q. Just answer the question, and never mind Mr. Taylor.—A. I really do not know.

Q. You do not know whether it was Mr. Flood or not?—A. I do not.

Q. Is it possible that it was Mr. Flood?—A. In this case I do not think so.

Q. You said that you would consult with him?—A. Yes, I said at the start, in connection with certain contracts—

Q. Did you ever consult with Mr. Flood with regard to this contract?

The CHAIRMAN: Mr. Hanson, for your information I might say that the witness has already stated that there was a conference consisting of Mr. Flood, Major McLean, the Deputy Minister and Mr. Boyle at which this whole matter was threshed out.

Mr. HANSON: That is very illuminating, Mr. Chairman. I am very much obliged to you for the information.

By Mr. Hanson:

Q. When did this conference take place, and why was there the necessity of a conference?—A. Because I deducted several things from the accounts.

Q. Based on the memorandum of the 9th February?—A. As far as the 15 per cent is concerned, yes.

Q. That one item. Are there any other items?—A. There were three items.

Q. When did this conference take place?—A. I have already said this morning, I am not sure of the date.

Q. It would be after the 9th February, would it not?—A. Yes, sir. I said this morning it would be sometime in March.

Q. That would be 1928. And it arose over the one question of the 15 per cent?—A. No, sir, there were more than that.

Q. How many items were there under discussion?—A. One in paragraph 2.

Q. That is the addition of the three days?—A. No, the 15 per cent, sir.

Q. That was No. 1?—A. He had invoiced this up at 15 per cent. Paragraph 3, 15 per cent.

Q. That is the second one.—A. Paragraph 4,

Q. 15 per cent?—A. Yes.

Q. That all relates to the one matter of principle, the liability of paying him commission on certain items?—A. Yes, sir.

Q. So that is one matter by itself? But there were other matters which subsequently came into dispute, referring to this item of the 9th of February. There was the question of the days under No. 2, was there not?

Mr. THORSON: The first question was one of law. This one is one of fact.

Mr. HANSON: Correct, take the head of the class.

The WITNESS: The number of days did not come into this at all.

By Mr. Hanson:

Q. That is, into this conference?—A. Yes.

Q. Had you given way on the number of days previous to the conference?—A. As far as my memory serves me.

Q. As far as your memory serves you?—A. Yes.

Q. And I understand you to say that the Department, or your branch of the Department, had voluntarily added these three days under No. 2?—A. Yes.

Q. Now, that was a question purely of fact as to how many days there were on the outward voyage?—A. No; the fact was there were nineteen days.

Q. Well, I am saying that the whole question raised was one of fact as to how many days there actually were?—A. Yes.

Q. Did Mr. McLean concur that there were nineteen days?—A. I do not think he did.

Q. Did he not dissent?—A. I think he did.

Q. You think he did. Now, he was the officer in charge, and the man to whom your Department should look for information, was he not?—A. He was the officer in charge of the expedition.

Q. He was the man in charge of the expedition and the man to whom you would directly look for accurate information?—A. Yes, sir.

By Mr. Thorson:

Q. Was it nineteen days, or sixteen days, which was it?

Mr. HANSON: You can ask him later. Please do not interrupt.

By Mr. Thorson:

Q. Which was it?—A. There were 19 days including Sundays.

Mr. HANSON: It all involves the question of Sundays; that is the crux of the whole thing.

[Mr. A. Boyle.]

By Mr. Ilsley:

Q. It was not a question of accurate information from the man in charge; it was a question of the construction of the contract, was it not?—A. That was it.

Mr. THORSON: It was purely a question as to whether the Sundays should be included or not.

By Mr. Hanson:

Q. It is a question of whether the Sundays should be included or not, and your officer in charge gave it as his construction that the Sundays should not be counted?—A. Yes.

The CHAIRMAN: But he did, subsequently, come round to the other view?

Mr. HANSON: It would be very interesting to know what brought him around.

The CHAIRMAN: It would be.

By Mr. Hanson:

Q. Now, I would like to know who advanced the point of view that the three Sundays should be paid for?—A. Well, I told you, sir, that I do not remember, but I would expect to be paid for Sundays if I were these men.

Q. If that is your honest statement I am not going to quarrel with it. Now, with respect to the 15 per cent, you certainly did not agree that he was entitled to the 15 per cent, because you say in paragraph 2:

The 15 per cent is not in accordance with contract and was disallowed by your notation on Mr. McLean's memorandum dated January 26th.

That is the first one on No. 2, and No. 3:

The 15 per cent is disallowed for reason stated in paragraph 2 above.

And No. 4:

The 15 per cent was disallowed as stated above.

It would be very interesting to me to know who altered your opinion in that respect?—A. Nobody altered my opinion.

Q. You altered it voluntarily?—A. I did not alter it at all.

Q. Well, it was altered?—A. No, sir, it was not.

Q. Was the 15 per cent allowed?—A. No, sir.

Mr. ERNST: Not on the transportation.

By Mr. Hanson:

Q. Was any one of these three items of 15 per cent allowed?—A. No, sir.

Q. None of them?—A. None of them were paid.

Q. They were all disallowed?—A. Yes.

Q. Now, you spoke of a conference at which the only item discussed was the 15 per cent, in March, 1928.—A. No, sir, that was not the only item.

Q. Was that discussed?—A. Yes, sir.

Q. And was it agreed that these three items of 15 per cent should not be allowed?—A. Yes, sir.

Q. What other items were discussed?

By Mr. Ilsley:

Q. Is that for transportation? The ones that were not allowed?—A. No, the ones that were not allowed were for MacMillan's contract. He commenced to send in invoices at the schedule rate plus 15 per cent.

Q. For what period, for what work?—A. For the period when he started at the base till the finish of the 75 days. That is what the 15 per cent means.

Q. And that was not allowed?—A. I refused it, and it was never paid.

By Mr. Hanson:

Q. It was all covered by the \$29,000; that is the attitude you took?—A. Yes.

Q. But Mr. MacMillan claimed his contract price and 15 per cent more?—A. The bookkeeper did.

Q. Well, that is his agent?—A. Yes. He wrote a letter saying that he had made a mistake in adding the 15 per cent. But it was not paid, sir.

Q. I understand that. Now, what other items were discussed at this conference of March 28th, besides the question of 15 per cent which we have disposed of?—A. If you will turn to page 189, sir, I have the letter here. Would you care to have me read it?

Q. If you want to elucidate your reply?—A. It is page 189.

Now with respect to the overtime on the cost plus basis this I think is settled definitely under paragraph 12 of the contract:—

“Should it be found impracticable or impossible due to unforeseen unknown causes, which in the absence of the necessary information make it impossible to estimate or determine upon to erect any part of the stations within the 75 day period fixed by the Department, the contractor may, at the discretion of the Officer in Charge be required, to complete the work on a cost plus basis, the percentage to be paid the contractor to be not more than 15 per cent of the cost of completing such work.”

Q. Yes. He was basing his argument on that clause 12 of the contract?—A. Yes, sir.

Q. You did not agree with that?—A. Not in that light, sir.

Q. And the conference did not agree?—A. I did not agree first. What he did was to charge the usual rate plus 15 per cent.

Q. And you put your foot on that?—A. At first I did not agree to it.

Q. From the very first to the last you did not agree?—A. No, I cannot say that.

Q. Well, what did you do?—A. Well, in looking into the contract I concurred with Mr. McLean and the Deputy Minister that it should be paid.

By Mr. Ilsley:

Q. In respect to what items?—A. Not the 15 per cent. It is the claim of the 75 day period.

By Mr. Ernst:

Q. And the overtime?—A. And the overtime.

By Mr. Hanson:

Q. The conference discussed all the claims that were put up including the three items of 15 per cent that are referred to in your memorandum, and which were not allowed, that is, that 15 per cent item, and question of the Sundays?—A. I do not think they brought up the question of the Sundays, because I think the account was paid before the conference.

Q. It had been settled before the conference?—A. Yes, sir.

Q. That had been settled?—A. That had been settled.

Q. It had been settled before the conference?—A. Yes.

[Mr. A. Boyle.]

Q. Who was responsible for the construction that the Sundays were to be paid for, because, as I understand it, the payment for those days more than compensated Mr. MacMillan for what he lost by the deduction of the 15 per cent.

Mr. TAYLOR: We had contrary evidence this morning.

Mr. HANSON: It is a matter of calculation, I would say. I am instructed that it is more.

Mr. ERNST: Practically equivalent.

WITNESS: That was not thought of.

By Mr Hanson:

Q. So far as you were concerned?—A. Yes, so far as I was concerned. As far as I know it was not.

Q. It may be a coincidence, but it is a fact just the same, that the three Sundays more than compensated for the loss of the three items of 15 per cent each?—A. It may be a coincidence, but it was never thought of.

Q. I will take your word for it. You cannot tell what occurred to the others, but it was allowed; I want to know who is responsible for allowing three days, three Sundays, which amounted to a very substantial item; it did not just drop out of a blue sky.

Mr. THORSON: Is that a substantial item, \$213.50?

Mr. HANSON: It does not matter if it is only a few dollars, it is a matter of principle.

Mr. ERNST: In a matter of about \$8,000, it is 15 per cent of \$8,000.

Mr. HANSON: About \$1,200.

By Mr. Hanson:

Q. You are not able to say?—A. No.

Q. You cannot assist the Committee in the slightest degree in regard to that?—A. I cannot.

Q. Yet you were the man who finally had to authorize the payment—or did you pass it on to your superior officer, as you ought to have done?—A. Just what do you mean? I said this morning that as far as the other payments were concerned, the Deputy Minister concurred in them.

Q. You have also told us that this was not discussed with him; you took great pains to tell us that?—A. I am certain of that.

Q. There is no question about that, and I am not raising any. Now then who did tell you to pay it?—A. I do not remember.

Q. Did you pay it off your own bat; do you accept the responsibility?—A. I must have done so.

Q. And you do now, do you?—A. I do not remember but if I did it off my own bat, then I am responsible.

Q. If you did; well did you?—A. I cannot tell you.

Q. That will be the end of it, as far as I am concerned?—A. I do not remember. I have nothing to hide. I do not remember.

Q. I am not suggesting that; I would not suppose for a moment that you had any reason for hiding anything; you should not anyway. I would like to know who is responsible for this construction of the contract, if anybody, and I would like you to be very frank about it.

The CHAIRMAN: He is doing his best to answer you.

Mr. HANSON: He says this question of Sundays was never mentioned at the conference, if I understand him correctly.

The CHAIRMAN: My understanding is that it was.

[Mr. A. Boyle.]

By Mr. Hanson:

Q. Was it brought up at the conference?—A. I do not think it was.

Q. Was it or was it not, and that will settle it?—A. I am on my oath. I do not think it was.

Q. You further told me that it had been paid previous to the conference, so that it is not likely that it would be brought up at the conference?—A. No.

Q. Now, will you please tell the Committee who is responsible for the payment of those Sundays?—A. If I do not remember who it was that I talked with, and if I authorized the payment, I am responsible.

Q. You must be responsible; do you accept the responsibility?

MR. ILSLEY: He said he did. How many times are you going to ask him? Once is enough.

By Mr. Hanson:

Q. Do you accept responsibility for this construction of the contract?—A. If I did it off my own bat, I do.

Q. You put in that limitation; do you adhere to that, that you did it off your own bat, or do you not?—A. As I have already told you, I do not remember the circumstances.

MR. THORSON: I think we should use legal phraseology here. What does he mean by "off his own bat"?

MR. HANSON: It may not be Oxford diction, I will agree with that.

MR. ILSLEY: Does he mean without consultation, or on his own responsibility?

By Mr. Hanson:

Q. That is what I mean?—A. Well, I would say that it was on my own responsibility.

Q. You will say it on your own responsibility?—A. I will.

Q. Then in the memorandum of the 9th February, 1928, prepared by your assistant and concurred in by you by your signature, you took an entirely different view?—A. Yes sir.

Q. What was the controlling factor which made you alter your mind, and on whose representations, if any?

MR. THORSON: It might have been remorse.

MR. BEAUBIEN: These men were working on Sundays and should get paid.

MR. HANSON: He has to say so, if it is remorse, if he adopts your suggestion.

MR. ILSLEY: Probably he would, if you went far enough.

By Mr. Hanson:

Q. The "Larch" sailed on the 16th of July, or if she did not sail on the 16th, she sailed on the 17th; you gave the date before?—A. I gave the date before. The ship was to sail on the 16th, in fact Mr. MacMillan's men were on two or three days before. The boat was to sail on the 16th, but she did not sail until Sunday the 17th. We will say she sailed on the 16th, to get the number of days. She arrived at the first base on the 3rd August, and the contract started from the 4th August.

Q. The elapsed time would be 19 days; I do not think there is any dispute about that.

MR. THORSON: That is clear.

[Mr. A. Boyle.]

By Mr. Hanson:

Q. I can take it for granted that that is the correct time?—A. Yes.

Q. Looking at it hurriedly, I want to know who decided it?—A. Well sir there is a mistake in the number of days in this memorandum.

Q. You say there was a mistake?—A. Yes, because the "Larch" sailed on the 16th, and she got to the base on the 3rd August; that was the 19th day.

Q. The elapsed time we agree is 19 days?—A. You asked me why we altered it from the sixteen to the nineteen.

Q. I asked why you had allowed the Sundays—that is a bald way of putting it—and on whose representations did you do it?—A. Why we had altered the number of days?

Q. Yes; it means the Sundays?—A. It means the Sundays.

Q. It means the Sundays, as I understand it, but why did you alter your position—because you did?

Mr. THORSON: Why not?

The WITNESS: Because the number of days down here was wrong.

By Mr. Hanson:

Q. You decided immediately, without consultation with anybody, to allow him for the Sundays?—A. I did not say that.

Q. I am asking you now?—A. I do not remember, but I think it should have been paid.

Q. You did as a matter of fact come to that conclusion?—A. I did.

Q. But you are not able to tell us why or how?—A. Because the number of days was wrong.

Q. You base it on the fact that the number of days that elapsed was 19 and not 16?—A. Yes.

Q. Your assistant took a different view. That is all?—A. "Wages will be paid by the Department during transportation".

Q. What number is that?—A. That is paragraph 7, sir.

Q. "Wages will be paid by the Department"?—A. "During transportation to the first station where construction begins and contract becomes operative".

Q. Were they paid for Sunday labour at the regular wages, after they started construction, or were they paid for extra or overtime?—A. They were not paid for Sundays by Mr. MacMillan, and we did not pay them, unless it was overtime.

Q. Unless it was overtime—A. Yes.

Q. So that Sundays were not within the ordinary routine of their time for Mr. MacMillan, while they were actually on the construction?—A. He signed the contract.

Q. Just follow me. Sundays, while they were actually on construction, on the site of the base, were not considered as working days when they were working for Mr. MacMillan, but when they were sailing for the Government, doing nothing, they were?

Mr. ILSLEY: That is all governed by the contract.

The WITNESS: It says, "during transportation".

Mr. HANSON: During transportation and working days meant nothing.

Mr. THORSON: They had not much liberty of action when they were on the boat; they were at work on the boat.

Mr. HANSON: They only had the running of the boat.

Mr. ILSLEY: They were working on a rate fixed by the contract.

Mr. HANSON: When they were working for Mr. MacMillan, he did not pay them for Sundays, but the Government paid them for overtime as provided by the contract.

[Mr. A. Boyle.]

Mr. THORSON: As provided by contract.

Mr. HANSON: The contract provides that the Government will pay wages during transportation. Did it never occur to you that that meant working days?

Mr. ILSLEY: There were no working days; they were idle all the time during transportation.

Mr. HANSON: If you want to give evidence, hop into the box and be sworn and answer questions.

By Mr. Ernst:

Q. Mr. Boyle, in the ordinary work of your office, if a letter is addressed to you, is it delivered to you?—A. If it is addressed to me, it is.

Q. Supposing a letter arrived in your office on the morning of the 6th of the month, when would you ordinarily read it yourself?

Mr. THORSON: What day in the week, though,—on the Sunday?

By Mr. Ernst:

Q. Not on Sunday. If a letter were addressed to you and arrived in your office on a working day, let us say, that day was the 6th of the month; would you ordinarily read it on that day?—A. As a rule, yes.

Q. Would you be certain to read it within the next day or two?—A. It depends upon where I am.

Q. Well, were you in your office during February in 1928 continuously during working days? Last February, did you have any days off outside of Sundays?—A. I had no days off at all, Sir, I have had no days off. If I was off I was away on business. I do not recollect where I was.

Q. You do not recollect a year ago February, whether you were in your office or not?—A. No.

Q. You were in your office on the 9th February when you signed the memorandum prepared by Mr. Steeves?—A. No, it might have been written on the 9th or afterwards.

Q. It might have been signed subsequently to the 9th?—A. Yes.

Q. But it would be signed in your office?—A. Yes.

Q. I think you told Mr. Hanson, when he was questioning you, that you discovered yourself, or someone in your department drew your attention to the fact that there was an error in the number of days calculated during transportation, that it should be 19 instead of 16?—A. I said something of that sort.

Q. And it was your department who made the discovery?—A. As far as I remember about it.

Q. Now, Mr. Boyle, I find that on the 3rd December Mr. MacMillan submitted an account for wages during transportation. It is found in the file at page 133, and you can find it in the printed report by turning to the date December 3rd, 1927, in which he only claimed for 16 days wages en route to Hudson Strait.

Mr. ILSLEY: On what page is that of the printed report?

Mr. ERNST: I have not the page of the printed report.

By Mr. Ernst:

Q. In this, Mr. MacMillan submitted a claim for only 16 days, and the days were timed from Halifax to Nottingham Island, July 16th to August 3rd inclusive, \$4,472. Then 15 per cent handling, \$670.80. A total of \$5,142.80. You would have had that before you when you prepared your memorandum.—A. Not necessarily.

Q. Well, your assistant would?—A. I presume he would.

[Mr. A. Boyle.]

Q. I find that on the 24th January, 1928, Mr. MacMillan—page 170 of the file—wrote a letter to you personally, attention A. Boyle, Chief Accountant, enclosing another statement in this case, claiming apparently for 19 days, \$5,310.50. You would have that before you when you signed the memorandum in question.—A. Not necessarily.

Mr. ILSLEY: Is that the letter of January 24th?

Mr. ERNST: Yes, with the statement attached. That letter, apparently, was received in your office on the 30th day of January—it bears that receipt stamp.—A. Yes.

Q. And was referred to Accountant, January 30, 1928. You would have that letter before you when you prepared that memorandum?—A. My staff should have it.

Q. And would be aware of the contents?—A. Yes, if they had it before them.

Q. I find again, on the 2nd February, Mr. MacMillan wrote you, attention Mr. A. Boyle, Chief Accountant, and it bears the stamp, Referred February 7, 1928, to Accountant, drawing attention to the same matter, in which he says:

The men started working under my contract on the 4th day of August and completed the 75 day period on the 18th day of October. The rate of wages applied to the men going up from the 16th of July to the 3rd August inclusive.

And he goes on to talk about the wages on the return.

Mr. ILSLEY: Where is that?

Mr. ERNST: That is on page 180 of the file, referred to accountant on February 7th.

By Mr. Ernst:

Q. I am drawing your attention to the letter and I have read you the provisions of it referring to this particular matter. I draw your attention also to the fact that Mr. MacMillan was then claiming for 19 days. That was referred to you on the 7th February. Would you have it before you when you concurred in the memorandum in the ordinary course of business?

Mr. THORSON: What document is that?

Mr. ERNST: The letter of Mr. MacMillan to Mr. Boyle of February 2nd, 1928, referred to Mr. Boyle on February 7th according to the Departmental staff.

Mr. THORSON: What page is that at?

Mr. RYCKMAN: Page 178 of the printed report.

By Mr. Ernst:

Q. In the ordinary course of business you would have that before you when you prepared that memorandum?—A. Yes.

Q. And be aware of its contents?—A. Yes.

Q. So that when you certified to your Deputy Minister that in your opinion Mr. MacMillan was entitled to only \$4,272, you were aware of the fact that Mr. MacMillan was then claiming for 19 days amounting to \$5,310.50. Is that right?—A. Well, I do not remember about it. Probably I was.

Q. So that any alteration in your opinion came as a result of a claim from Mr. MacMillan?—A. I have already said no, not as far as I remember. As far as those three days are concerned.

Q. I find Mr. MacMillan claiming for that before you gave your opinion, that he was entitled to \$5,310.

[Mr. A. Boyle.]

By Mr. Thorson:

Q. What did you do with this letter from Mr. MacMillan?—A. That account was passed before this memorandum.

By Mr. Ernst:

Q. Passed for payment?—A. Yes, but it was not paid. I think so.

Q. You mean that the account was passed before you wrote your memorandum? That you had already passed that account for payment before the memorandum of the 9th February,—you had already passed an account for \$5,310.50 for payment?

By Mr. Thorson:

Q. Do you know of your own knowledge?—A. No I do not.

By Mr. Ernst:

Q. When was the account for \$5,310.50 passed for payment?—A. The cheque will show that. I think you will find it was the 31st March, because there was no money.

Q. You mean to say that after passing the cheque for payment you certified he was not entitled to what you had already passed?—A. There is no memorandum about the three days, Mr. Ernst.

Q. There is a memorandum of yours, Mr. Boyle, which has been referred to repeatedly, in which you say that for wages going on the Larch Mr. MacMillan was entitled to \$4,272?—A. Yes, and I have said that was wrong.

Q. When you said that, and it was wrong, did you have before you Mr. MacMillan's letter of February 2nd?

Mr. ILSLEY: He evidently was not considering it.

By Mr. Ernst:

Q. I am asking the witness a fair question.—A. I do not know.

Q. In the ordinary course of business you would have that letter of February 2nd before you?—A. In the ordinary course I would.

By Hon. Mr. Ryckman:

Q. And the memorandum of February 9th refers to it?—A. Yes, that is right.

By Mr. Ernst:

Q. And you also had Mr. MacMillan's letter of January 24th before you?—A. I do not remember it.

By Mr. Thorson:

Q. May I ask,—this is relevant,—whether the letter which was written by Mr. MacMillan to Mr. Boyle was dealt with by you or landed to Mr. Steeves who prepared this memorandum?—A. Well, Mr. Steeves prepared this memorandum.

Q. Did he have the letter of Mr. MacMillan before him when he prepared the memorandum?—A. Yes, sir, he must have had it.

Q. Because it is Mr. Steeves' memorandum and he refers to Mr. MacMillan's letter?—A. Yes.

Q. Then did you yourself necessarily peruse that letter?—A. I do not remember, but I do not think I did in this instance; although I do not remember it.

[Mr. A. Boyle.]

By Mr. Ernst:

Q. Did you peruse this letter of January 24th, which was addressed to you personally, attention of A. Boyle, Chief Accountant?—A. A reply was sent to that letter on the 1st February.

Q. By you personally?—A. No.

Q. By whom?—A. Mr. Steeves, I know about it.

Q. At any rate, the gentleman who prepared that memorandum had Mr. MacMillan's claim for 19 days before him.—A. If this is the statement, yes, because this has written on it "Reply sent 1st February".

Q. Were you aware that Mr. Hawken, your assistant Deputy Minister, had only approved payment of \$4,272 for wages during that period?—A. I must have. Personally I did not know, but my assistant must have when he wrote that letter.

Q. Then, before you over-ruled the opinion of your assistant Deputy Minister, and the opinion of Mr. Steeves did you consult anybody?—A. I was asked that, and I said I did not remember who I had consulted.

Q. Was it not, as a matter of fact, as a result of a conference between Mr. MacMillan, yourself, the Deputy Minister and Major McLean that you approved of paying for the 3 days?—A. I am certain it was not, as far as the 3 days.

Mr. THORSON: The witness has already said that three times.

Mr. ERNST: He may change his mind. There is every reason to believe that he might.

Mr. THORSON: Are you suggesting that this witness is not observing the terms of his oath?

Mr. ERNST: No.

By Mr. Ernst:

Q. I find that the cheque in which this account appears to have been recognized for the first time at 19 days, bears date the 30th day of March, 1928?—A. Yes, I quite believe that.

Q. This is number B. 16332, with the memorandum attached to it. The amount of the cheque is \$3,952.50 and the schedule attached shows that that was the balance less a progress payment. Is it already printed.

Mr. THORSON: A balance of what,—a balance of the \$5,310 item?

Mr. ERNST: Yes, a balance of the \$5,310.50, less the time of the men coming back on the Larch, and a deduction for some coming back on the Stanley—

Mr. THORSON: And when was that cheque issued?

Mr. ERNST: On the 30th day of March 1928.

By Mr. Ernst:

Q. Now, have you anything to show the Committee when the accounts in that form were passed by you?—A. I see marked here, C.E.S. 31st March 1928.

Q. So that you first passed that account on the 31st March 1928?—A. It may have been held because of not having had money at the time.

Q. Have you anything to show this Committee when that account was first passed for payment?—A. I have the cheque to show when it was paid.

Q. Have you anything to show when you passed it?

Mr. THORSON: Would that not be on the voucher?

The WITNESS: No it was a voucher written by ourselves.

[Mr. A. Boyle.]

By Mr. Ernst:

Q. Now are you quite sure that the conference with Mr. MacMillan was not between the 31st December and the 24th day of January?—A. I do not think it was.

Q. Do you recollect what was talked over at the conference?—A. Yes, I have already said that—the 15 per cent—

Q. On what, on the wages on the Larch?—A. The 15 per cent on the wages on the Larch and the 15 per cent on the contract.

Q. Talked over at the conference, was 15 per cent on wages on transportation?—A. Yes.

Q. And 15 per cent on extra time?—A. Yes.

Q. 15 per cent on overtime,—is that right?—A. I do not think the 15 per cent on the overtime came into the conference.

Q. Not the overtime?—A. Not at the conference.

Q. Well now I am asking you, Mr. Boyle, why the 15 per cent during transportation, that is, on the "Larch" and the "Stanley" was talked over at this conference, when, according to the date at which you fix the conference, Mr. MacMillan had already abandoned it in favour of a claim for nineteen days?—A. I do not think he abandoned it because this statement was prepared, so far as I understand, to show what Mr. MacMillan was claiming. That was on the 9th of February.

Q. You have under your hand a statement submitted by Mr. MacMillan on the 24th of January when he does not claim for the 15 per cent, but for the 19 days.

The CHAIRMAN: Gentlemen, the suggestion is made that we adjourn now. Some of us have to catch the eastern train. The question is, when shall we meet again?

Mr. BEAUBIEN: Next session.

Mr. ERNST: Not exactly.

The CHAIRMAN: It may be difficult to get a quorum on Friday.

Mr. ERNST: May I just get an answer to my question.

By Mr. Ernst:

Q. Mr. Boyle, then on the 24th of January, Mr. MacMillan had abandoned his claim for 15 per cent and substituted therefor his claim for 19 days?

Mr. ILSLEY: That is an unfair question. He has repudiated that suggestion time and again, and you know it perfectly well. That is a tricky, unfair question.

Mr. ERNST: The hon. gentleman is easily agitated, and is only blocking the inquiry.

Some Hon. MEMBERS: Order.

The CHAIRMAN: Mr. Ernst,—

By Mr. Ernst:

Q. According to the record, Mr. Boyle, on the 24th of January, Mr. MacMillan had abandoned his claim for 15 per cent, according to his own claim as submitted.—A. According to this statement, yes.

Q. Then why did you talk over the 15 per cent at the conference?

The CHAIRMAN: We will give him until next Monday to think that over, if you do not mind.

The WITNESS: Seeing he was up in Ottawa, he might get it. I did not know—but he did not get it.

[Mr. A. Boyle.]

Mr. ERNST: In the light of that, do you not think you talked about the three extra days?

The WITNESS: No, I do not think it, sir. No, I really do not.

The CHAIRMAN: To what date shall be adjourn?

Mr. BEAUBIEN: I suppose Tuesday will be a good day.

Mr. THORSON: Why have two sessions a day? Can we not sit on Friday?

The CHAIRMAN: We have to have two sessions a day; otherwise we cannot get rid of this thing before the House prorogues, and I am rather anxious to have the business finished.

Mr. ERNST: I do not suppose the House will prorogue until it is finished.

The CHAIRMAN: Is that a threat?

Mr. ERNST: No, I have no power to make a threat, and I do not make any.

The CHAIRMAN: We should sit twice a day.

Mr. THORSON: Why not sit Monday morning?

The CHAIRMAN: A good many of us do not come in until Tuesday, particularly the Quebec members. What is your wish, gentlemen? Shall we have two sessions on Tuesday, morning and afternoon?

Several Hon. MEMBERS: Agreed.

The CHAIRMAN: Very well, we stand adjourned until next Tuesday at eleven o'clock.

The witness retired.

The Committee adjourned until Tuesday, May 14th, 1929, at 11 o'clock a.m.

Canada. Public Accounts, 1929
Standing Committee on, 1929

SESSION 1929
(HOUSE OF COMMONS)

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SELECT STANDING COMMITTEE

ON

Public Accounts

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8—TUESDAY, MAY 14, 1929

WITNESSES:

Mr. A. Boyle, Chief Accountant; Mr. C. E. Steeves from office of Chief Accountant; and Major N. B. McLean, formerly Chairman of Hudson Bay expedition; all officials of the Department of Marine and Fisheries, and Mr. A. S. MacMillan (Halifax).

MINUTES OF PROCEEDINGS

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

TUESDAY, May 14, 1929.

MORNING SITTING

The Committee met at 11 o'clock, Mr. Jacobs, the Chairman, presiding.

Members of the Committee present: Messieurs Beaubien, Bell (*Hamilton West*), Bothwell, Cannon, Casselman, Cowan, Dubuc, Duff, Ernst, Fraser, Girouard, Ilsley, Jacobs, Laflamme, Lapierre, Lawson, Lovie, McDiarmid, Parent, Pouliot, Ross (*Kingston City*), Ryckman, Smith (*Cumberland*), Smoke, Taylor, Telford, Thorson, and Tobin.—28.

In attendance: Mr. E. Hawken, Asst. Deputy Minister, Major N. B. McLean, formerly Chairman of the Hudson Bay expedition, Mr. A. Boyle, Chief Accountant, Mr. C. E. Steeves, and several other officials, all of the Department of Marine and Fisheries, and Mr. A. S. MacMillan (Halifax).

The Chairman opened the meeting. Mr. Pouliot rose to a point of order, with respect to the long attendance of Mr. MacMillan of Halifax, awaiting his examination before the Committee. Mr. Pouliot thought the Committee should take up the consideration of the Bedford Basin contract and Mr. MacMillan's evidence taken in that connection.

It was explained that Mr. MacMillan would be required in connection with both the Bedford Basin and Hudson Bay expedition contracts and no time would be saved by hearing him as a witness on the Bedford Basin contract first. (See evidence.)

Hudson Bay expedition was again taken up. Mr. Boyle, Chief Accountant was recalled and examined by Mr. Ilsley; also by Mr. Beaubien.

After considerable discussion the Committee decided that Mr. Steeves, who, being an assisting official of the Chief Accountant, and familiar with the transaction under discussion, should be sworn as a witness, and questioned on those points with which he was more familiar than his superior, Mr. Boyle.

Mr. Steeves was called and sworn. He was examined in turn by Mr. Ilsley, Mr. Ernst, Mr. Duff, Mr. Thorson, and again by Mr. Ernst; also questions by other members of the Committee.

Mr. Boyle further examined by Mr. Ernst.

Mr. Boyle and Mr. Steeves retired.

Major McLean recalled. Mr. Ernst proceeded to examine the witness. A question was asked the witness by Mr. Ernst, which was objected to by Mr. Thorson and Mr. Beaubien as being of a hypothetical character and not a proper question. The objection was allowed by the Chairman. Mr. Ernst appealed from the ruling of the chairman and asked that a division be registered.

The Chair was sustained by 11 yeas to 5 nays. (See list and evidence.)

It being one o'clock, by general consent the Committee adjourned to meet again at 4 p.m.

MINUTES OF PROCEEDINGS

AFTERNOON SITTING

The Committee met at 4 p.m., Mr. Jacobs presiding, and the following members of the Committee present: Messieurs Beaubien, Bettez, Bothwell, Cowan, Duff, Ernst, Fraser, Gray, Ilsley, Jacobs, Kaiser, Laflamme, Lapierre, Lawson, Manion, McDiarmid, Peck, Power, Ross (*Kingston City*), Ryckman, Smith (*Cumberland*), Smoke, Taylor, Telford, and Thorson.

In attendance: Same officers of the Department of Marine and Fisheries as at the morning sitting, and Mr. A. S. MacMillan (Halifax).

The Chairman opened the meeting.

Mr. Beaubien rose and stated that he desired, with the permission of the Committee, to refer to an article in the *Halifax Herald*, which he claimed was not in accordance with the facts as shown by the evidence, and he desired that his statement should go into the record.

The Chairman said it would be noted by the reporters and appear in the day's proceedings.

Major McLean recalled and further examined by Mr. Ernst; also by Mr. Ilsley, Mr. Beaubien, Mr. Duff, and again by Mr. Ernst. Questions by other members of the Committee.

The witness retired.

Mr. A. S. MacMillan called and sworn. Mr. Ernst commenced examination of the witness, but upon enquiry found that all books and papers in connection with the matter had not been brought for the inspection of the Committee, and stated that he could not proceed further until such had been produced before the Committee.

Discussion arose as to the bringing of account books of the witness, and the necessity of having his bookkeeper to explain items which the witness might not be familiar with. It was finally decided by the Committee that Mr. E. J. Walker, bookkeeper of Mr. MacMillan be brought to appear before the Committee.

Mr. Ernst moved that Mr. F. C. Campbell, Halifax, be summoned to appear before the Committee on Tuesday and produce all books of account, correspondence, cheques, receipts, vouchers and other papers and documents of whatsoever kind in any way relating to any matters now under consideration by the Public Accounts Committee, in any way connected with labour supplied under contract by A. S. MacMillan at Hudson Straits in the calendar year 1927; and also the same in connection with his contract at Bedford Basin for the construction of powder magazine.

Motion agreed to.

Further discussion ensued in connection with the next meeting of the Committee at which some other matter could be taken up. It was finally decided to meet again on Thursday, May 16, at 4 p.m., and take up some other items mentioned on the order paper.

The Committee adjourned.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

TUESDAY, May 14, 1929.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., the Chairman, Mr. S. W. Jacobs, presiding.

ALEXANDER BOYLE recalled.

By Mr. Ilsley:

Q. Mr. Boyle, can you give the Committee some sort of statement showing the date when these men left Halifax on the *Larch*, and when they got to Hudson Straits, and then follow the whole story through giving the exact dates and showing how the total amounts of payments were made up.—A. I believe I can.

Q. Before you do that, will you tell the Committee just how much was paid Mr. McMillan under the contract which is being considered by the Committee at the present time?—A. \$46,171.50.

Q. Now that amount was paid up of various items paid under various clauses of the contract?—A. Yes.

Q. Will you tell the Committee what items make up that amount, and how these items are made up, beginning with the wages of the men en route to the Straits?—A. There were 46 men en route, July 16 to August 3.

Q. Inclusive?—A. Yes sir. That is when they reached the first base.

Q. How many days?—A. 19 days.

Q. How much?—A. \$5,310.50.

Q. Now give us the other items.—A. Then there was the real contract itself.

Q. A lump sum?—A. Yes, from August 4th to October 17th.

By Mr. Thorson:

Q. How many days was that?—A. Seventy-five days.

By Mr. Ilsley:

Q. Put the word "inclusive" in, if it is inclusive.—A. Yes, inclusive.

Q. That was how much?—A. That was \$29,463.

Q. What is the next item?—A. Then there was the overtime.

Q. During what period?—A. There was the 75 day period.

Q. Paid at the rate of time and a half?—A. Yes.

Q. And what is the amount of that?—A. The amount of that was \$5,370.52.

By Mr. Thorson:

Q. How many men were engaged during that time?—A. I have the receipts of the men, but I have not got them here—Mr. Stevens has them.

Q. Let us clear that point up now—

Mr. DUFF: Would that be the same number of men—42 men?

Mr. ERNST: The time sheets are all in evidence; they are not printed, but the exhibits which prove them are printed.

[Mr. A. Boyle.]

Mr. ILSLEY: I think Mr. Ernst said that he had no objection whatever to the overtime. He said that he did not claim that any more overtime was charged for them was actually worked.

Mr. ERNST: That is true. The only quarrel I have with the overtime is the 15 per cent.

By Mr. Ilsley:

Q. What is the next item?—A. Wages of men returning—

Q. You did not tell us anything about the 15 per cent on the overtime.
—A. That was \$805.58.

By Mr. Thorson:

Q. That was in respect of the 15 per cent on overtime during the 75 day period?—A. Yes sir.

Q. And the next item?—A. The wages of the men returning on the *Larch*. There were 31 men, from the 18th of October to the 24th of October inclusive, 7 days, \$1,277.50.

Q. And the next item?—A. Then there was extra time after the completion of the 75 day contract period. There were 13 men left from October 18th to November 10th, inclusive, 24 days, \$2,076. Then there was 15 per cent overhead on the above extra item, \$311.40.

By Mr. Thorson:

Q. That would be payable under what clause of the contract?—A. Clause 12.

By Mr. Ilsley:

Q. What was the next item?—A. Fifteen per cent overhead on the extra time. Did I read that?

Q. You gave us that.—A. Wages of men returning on the Stanley, 13 men, November 11th to November 28th, inclusive, 18 days, 1,557.

Q. And those items total \$46,171.50?—A. Yes sir.

Q. Now, could you hand to the reporter a statement showing what you have just told us, in a compact form so that we may use it for the remainder of the time of the Committee?—A. Yes sir.

PAYMENTS MADE TO A. S. MACMILLAN IN CONNECTION WITH LABOUR CONTRACT AT HUDSON STRAIT

Cheque					
(B. 16332)	Wages of men en route to Strait	46 men	July 16th to Aug. 3rd, incl.	19 days	\$ 5,310 50
(B. 16334)	Labour Contract		Aug. 4th to Oct. 17th, incl.	75 days	29,463 00
(B. 11119)	Overtime (time and one-half on		Aug. 4th to Oct. 17th, incl.		5,370 52
11176)	Sundays) during the 75 day				
15788)	contract period.				
(B. 16335)	15% Overhead on above over-				
	time				805 58
(B. 16332)	Wages of men returning on	31 men	Oct. 18th to Oct. 24th, incl.	7 days	1,277 50
	<i>Larch</i>				
(B. 16333)	Extra Time after completion of	13 men	Oct. 18th to Nov. 10th, incl.	24 days	2,076 00
	75 day contract period.				
(B. 16333)	15% Overhead on above extra				
	time				311 40
(B. 16332)	Wages of men returning on C.G.	13 men	Nov. 11th to Nov. 28th incl.	18 days	1,557 00
	s. Stanley.				
Total					\$ 46,171 50

By Mr. Beaubien:

Q. Mr. Boyle, at this point may I ask a question or two? According to this statement here, and according to the terms of the contract, you paid to Mr MacMillan exactly what was specified in the contract. Am I right in that contention?—A. Yes, sir.

[Mr. A. Boyle.]

Q. So that at no time has the department, or you as the accountant, paid any money to Mr. MacMillan for extras on this contract?—A. No, sir.

Q. Then all the moneys which Mr. MacMillan received in connection with this contract were in accordance with the terms of the contract?—A. Yes sir.

By Mr. Ilsley:

Q. If you will refer to page 174 of the printed proceedings of Tuesday, May 7, you will find certain items in MacMillan's statement, one of which is "September 23rd, extra material, skidways, \$145.92". Do you see that?—A. Yes sir.

Q. Had that anything to do with this contract?—A. No sir.

Q. Those were materials, not labour, nor erection services at all?—A. No sir.

Q. The next item, "September 23rd, extra moving material, shed 22, \$525.48." Had that anything to do with the contract?—A. No sir.

Mr. THORSON: What was that extra material, skidways, for?

Mr. ERNST: I am not questioning any of these material items.

The WITNESS: The Chairman of the expedition can answer that better than I.

By Mr. Thorson:

Q. Would Major McLean know about that?—A. Yes, I believe he would, but perhaps one of my assistants would know more about it.

Q. Who would that be?—A. Mr. Mattice.

By Mr. Ilsley:

Q. "September 23rd, extra painting bundles, \$5,307.05" had that anything to do with this contract?—A. No, sir.

By Mr. Thorson:

Q. Do you know anything about that item? What was it for?—A. It was marking bundles for the proper bases.

By Mr. Beaubien:

Q. Did you ask a price for the marking of these bundles?—A. I had nothing to do with that.

Q. Who would know about that?—A. Major McLean.

By Mr. Ilsley:

Q. What about the other three items, "December 17th, merchandise supplied department,—\$106.80". Had that item anything to do with this contract?—A. No, it had nothing to do with it. Could I explain it?

Q. Yes.

Mr. THORSON: There are three items there.

Mr. ILSLEY: Take them all together to save time.

The WITNESS: For his own men Mr. MacMillan took up some material. I do not know what it was. Some of our men purchased that material from him and they signed a bill, and we deducted it from their salaries. It had nothing to do with the Department at all.

By Mr. Thorson:

Q. How much do these items all total?—A. About \$6,155.50.

By Mr. Ilsley:

Q. And those items have nothing to do with the contract under investigation at all?—A. Not with the labour contract.

Q. They were not labour at all?—A. No, sir.

Q. And that balance, \$14,830.65 which is found at the end of Mr. MacMillan's account included them, of course?—A. Yes.

Q. Now, will you turn to page 182 and refer to your memorandum of February 9th which we were talking about the other day quite a little.—A. Yes, sir.

Q. Now, in that memorandum, were you dealing with the labour contract so-called, that is, the contract under investigation; were you dealing with the contract solely under that memorandum?—A. Yes.

Q. And when you came to the conclusion in the last paragraph that there was \$5,030.51 you meant under the labour contract, is that correct?—A. Yes.

Q. And you were not considering these items amounting to over \$6,000 that were due for materials to MacMillan?—A. This memorandum was simply dealing with the labour contract.

Q. Yes. Well, I want you to answer, if you will, specifically, whether you were dealing with that memorandum at all with these other items for materials which I have mentioned, and which are set out in Mr. MacMillan's account?—A. As far as I understand, I was not.

Q. Well, do you know? It is quite apparent, from your memorandum, that you were not dealing with those at all?—A. Yes, I would say so.

By Mr. Beaubien:

Q. Who would know besides yourself?—A. One of my assistants made out this memorandum.

By Mr. Thorson:

Q. That is Mr. Steeves?—A. Yes.

By Mr. Ilsley:

Q. Mr. MacMillan had submitted an account for \$14,000, and of that amount how much was he claiming under the labour contract? What part of it was under the labour contract?—A. About \$5,000 or \$6,000.

Q. More than that. If you take \$6,000 off \$14,000 you would have more than that. I am asking you how much of the \$14,830.65 was claimed under the labour contract, or the erection contract, which is more correct?—A. \$8,855.12.

Q. Well, then, is it correct to say that MacMillan claimed over \$14,000 and you were only prepared to admit about \$5,000 at that date?—A. Yes.

Q. Now, Mr. Boyle, just go over it again. I know that that was what was charged here, or at least was asserted very freely the last day, that Mr. MacMillan was claiming more than \$14,000 for items for which you were prepared to allow him only about \$5,000. Now, is that correct? Was there \$9,000 difference between you or about \$3,000?—A. About \$3,000.

Q. Explain it will you?

MR. BEAUBIEN: While this witness is searching for the answers to Mr. Ilsley's questions, may I suggest that it is very evident that Mr. Boyle cannot answer many of these questions without referring to Mr. Steeves, and in fairness to the Committee we should get all the information that is available in regard to this transaction that these assistants of Mr. Boyle put in, so that at any time we ask a question that should be connected. If Mr. Boyle cannot answer the question then his assistants may be able to answer the questions; and I would suggest, therefore, that Mr. Steeves be sworn. The newspapers are

[Mr. A. Boyle.]

spreading a lot of insinuations around, and it would help towards the continuity of the evidence by putting Mr. Steeves on the stand. I think it would be to the interests of the Committee, and to the interests of the country as a whole. Let us get at the facts. Many of these questions Mr. Boyle cannot answer; he has to refer to his assistants.

The CHAIRMAN: Of course, the assistant had more to do with it at that time than Mr. Boyle.

Mr. BEAUBIEN: Then put Mr. Steeves on the stand now.

Mr. THORSON: Put them both on at the same time.

Mr. POULIOT: I have attended several meetings of the Railway and Shipping Committee and there the one who answers the questions is the President of the Canadian National Railways. He is surrounded by twenty or twenty-five officers of the company, and if he is not familiar with the question he says, "Mr. So and So will answer that question," and it is done to the satisfaction of all parties in that Committee. I think that procedure could be very well followed in this case.

The CHAIRMAN: As I understand it, this examination is purely on an examination of figures. They are evident to every person. The men who prepared the most of this, it seems to me, is the person who ought to be examined, and if Mr. Steeves knows more about those particular items than Mr. Boyle, the Mr. Steeves should answer the questions. It would save a lot of time.

Mr. THORSON: If we desire to get the story told in sequence, it would be much more convenient to have the witnesses here who know the story; it would be better to have them all sworn, and then the main witness can be examined on the story, and if a particular item turns up with respect to which he is not as well posted as one of his assistants, then one of his assistants can be asked the question then and there. Then we will have the story in sequence. It is not an unheard of procedure at all. That procedure was adopted in the Pensions Committee repeatedly last year.

Mr. DUFF: Before we go on with that, I think we should have a proper answer to the question asked by Mr. Ilesley.

Mr. ILSLEY: I want an answer from someone who does know on that particular point. I want to find out whether Mr. MacMillan and the Department were \$9,000 apart, or only \$3,000 apart at that particular date.

The CHAIRMAN: We will swear Mr. Steeves.

CHARLES E. STEEVES, called and sworn.

By the Chairman:

Q. Mr. Steeves, do you know about this?

Mr. DUFF: Do you want that answer of Mr. Boyle to go on record where he says "Yes"?

Mr. ERNST: You cannot change the witness's answer.

The CHAIRMAN: How can a witness answer a question put to him by half a dozen members. The gentlemen examining the witness ought to agree among themselves as to the order in which the questions should be put.

Mr. ILSLEY: The last question to Mr. Boyle was whether Mr. MacMillan and the Department on February 9th, were in the neighborhood of \$9,000 apart in their views as to the amount that should be paid, or only in the neighborhood of \$3,000 apart. He said in reply to that, "about \$3,000 apart", and I asked him to explain. If Mr. Boyle can explain I would like to have him do so, and if he cannot explain then I would like to have Mr. Steeves explain it at this stage.

[Mr. C. E. Steeves.]

Mr. STEEVES: In the \$14,830.65 that was claimed by Mr. MacMillan on January 24th, a number of items were included, materials, and so forth. At that time, in that statement of January 24th, there were labour items amounting to a total of \$8,657.79. Against that at that time the accountant, or the department, was claiming labour items amounting to \$5,030.31.

Mr. ILSLEY: Claiming?

Mr. STEEVES: Were admitting; the difference between what Mr. MacMillan was claiming for labour and what the department was admitting for labour, amounting to \$3,627.48.

Mr. DUFF: And not \$9,000 odd?

Mr. STEEVES: No.

Mr. DUFF: Then the answer that Mr. Boyle gave to that question previously, was it right or wrong when he said "Yes"?

Mr. STEEVES: I did not notice what Mr. Boyle answered.

Mr. DUFF: I want that question read. Go back to the notes.

The REPORTER: "Q. Well, then is it correct to say that MacMillan claimed over \$14,000 and you were only prepared to admit about \$5,000 at that date?—A. Yes."

Mr. DUFF: What do you say, Mr. Steeves?

Mr. STEEVES: The answer is an unqualified no, because the \$14,000 odd was not based on labour.

Mr. DUFF: Was the answer "Yes" to that question, a correct answer or not having given it further consideration?

Mr. STEEVES: No, it was not.

The CHAIRMAN: The Committee understands the situation.

Mr. THORSON: That is the sort of thing we want to clear up.

Mr. ILSLEY: The department at all times were prepared to admit those claims for material, shown on page 174?

Mr. STEEVES: Absolutely; there is no question of that.

Mr. THORSON: Amounting to how much?

Mr. STEEVES: The difference between \$8,657.99 and the \$14,800 odd.

Mr. THORSON: How much is that?

Mr. STEEVES: That would amount to \$6,155.50.

Mr. THORSON: There never was any question as to the correctness of this claim?

Mr. STEEVES: No, there was never any question of that.

Mr. ILSLEY: Mr. Steeves, did you prepare the memorandum of February 9th?

Mr. STEEVES: I did, yes.

Mr. ILSLEY: And it was later signed by Mr. Boyle?

Mr. STEEVES: It was.

Mr. ILSLEY: Well, if in that memorandum you had been dealing with all the items in Mr. MacMillan's statement, how much would you have been prepared to admit at that time, that is, if you had been dealing with all the items in the statement, not only under the labour contract but for those materials?

Mr. STEEVES: On all items, \$5,030.51, which we conceded at that time, plus those material items amounting to \$6,155.50. Do you want the total?

Mr. THORSON: Yes, the total amount.

Mr. STEEVES: \$11,186.01.

Mr. ILSLEY: Had you been dealing with everything that MacMillan had in his statement, that is, dealing with all items, it would have been \$11,186.01?

Mr. STEEVES: Yes. In other words, the \$11,000 odd was what we were admitting against his \$14,500.

Mr. ILSLEY: And when you prepared that memo. you were basing your computation on information regarding periods of work and dates of sailing furnished by Major McLean, is that right?

Mr. STEEVES: Exactly, in his memo.

Mr. ILSLEY: And did you subsequently discover that those were wrong?

Mr. STEEVES: I did.

Mr. ILSLEY: That is, as to the information regarding dates of sailing and periods of work, you discovered that that was wrong?

Mr. STEEVES: Yes.

Mr. ILSLEY: In part, therefore, your figure of \$5,031.51 was based upon errors of fact regarding periods of work and dates of sailing?

Mr. STEEVES: Yes.

Mr. ILSLEY: You satisfied yourself of that later without any question?

Mr. STEEVES: I did.

Mr. ILSLEY: Now, did you at any time give any consideration to the claim for Sundays in connection with the claim for 15 per cent on the transportation? Were those two things dealt with together by you, or considered together by you?

Mr. STEEVES: Not up to February 9th.

Mr. ILSLEY: Or after February 9th?

Mr. STEEVES: No, nor on February 9th.

Mr. ILSLEY: Mr. Ernst, the last day, said that at one time Mr. MacMillan abandoned his claim for 15 per cent on the transportation period wages in favour of a claim for Sundays, and the intimation was that the officers of the department decided to give him for the Sundays instead of the 15 per cent, and I want to know whether you, as one of the officers of the department, ever considered those two claims together?

Mr. STEEVES: No.

Mr. ILSLEY: At any time?

Mr. STEEVES: No.

Mr. ERNST: Just in order to make the matter a little bit clear about the report of May 7th, at page 182, item No. 1:—

The balance of the net contract price is correct as claimed, viz: \$1,394.76.

Mr. STEEVES: Yes.

Mr. ERNST: That was paid to Mr. MacMillan, \$1,394.76?

Mr. STEEVES: It was.

Mr. ERNST: Then:—

For wages en route to the Strait. . . . and so on, at that time you certified there was a balance due of \$280?

Mr. STEEVES: Yes.

Mr. ERNST: And you subsequently paid the balance of \$835.50?

Mr. STEEVES: Yes. I cannot verify that figure, but I know we paid a large amount.

Mr. ERNST: You paid the difference between \$5,310.50 and \$4,472.

[Mr. C. E. Steeves.]

Mr. STEEVES: The voucher was ultimately for \$5,310.50.

Mr. ERNST: And you paid Mr. MacMillan then, under paragraph 2, for wages en route to the Strait a balance of \$838.50?

Mr. STEEVES: That is right.

Mr. THORSON: That is in respect of the three extra days.

Mr. ERNST: Paragraph 3. The correct amount due for wages of men returning on the Larch was there certified as \$1,095.50?

Mr. STEEVES: Yes.

Mr. ERNST: And you subsequently paid Mr. MacMillan, \$1,277.80?

Mr. STEEVES: Right.

Mr. THORSON: Why was that?

Mr. ERNST: I am going to go into it. Paragraph 4—

Mr. THORSON: Would it not be better to clean up each item as we go along?

Mr. ERNST: Just one moment, please. I am going to come to the items, and if you want to ask questions later I have no objection. Paragraph 4. Mr. MacMillan claimed \$3,114. You certified then that there was \$2,162.50 due?

Mr. STEEVES: Yes.

Mr. ERNST: You subsequently paid Mr. MacMillan under that paragraph \$1,557?

Mr. STEEVES: Yes.

Mr. ERNST: For extra time. Mr. MacMillan claimed \$2,387.40 plus 15 per cent. No, I am wrong in that. Altogether, he claimed \$2,076 with 15 per cent, amounting to \$311.40, making a total of \$2,370.40?

Mr. STEEVES: Correct.

Mr. ERNST: At that time you certified there was nothing due under that?

Mr. STEEVES: Excuse me, I did not certify it. I stated, in accordance with Mr. McLean's memorandum—

Mr. ERNST: You disallowed that claim?

Mr. STEEVES: Exactly.

Mr. ERNST: And you subsequently paid Mr. MacMillan under that claim \$2,387.40?

Mr. STEEVES: Yes.

Mr. ERNST: For claim, 15 per cent overtime amounting to \$805.58. You disallowed that entirely at that time?

Mr. STEEVES: Yes. Just a moment—

Mr. THORSON: We are getting into confusion.

Mr. ERNST: No, we are not. Just wait one moment, please, and you can clean that up if you think it is not clear. Paragraph 5, "Mr. MacMillan is claiming \$6,393.23, which includes 15 per cent profit. The 15 per cent has been disallowed as stated above."

Mr. STEEVES: Correct; that is right.

Mr. ERNST: And you subsequently paid Mr. MacMillan \$805.58 under that item?

Mr. STEEVES: Yes.

Mr. ERNST: Let us go back to the items again, that is, the total that was paid Mr. MacMillan under the labour contract subsequent to the preparation of the memo. in question. Going back to paragraph 2, wages en route to the

[Mr. C. E. Steeves.]

Strait, you told Mr. Ilsley that the changes were due entirely, so far as they did not relate to percentage, to a change in dates; that is, a correction in dates?

Mr. STEEVES: Yes.

Mr. ERNST: What change in the dates did you make under paragraph 2 when you finally made payment?

Mr. STEEVES: When we finally made payment?

Mr. ERNST: Yes.

Mr. STEEVES: Well, now, to explain: at that time Mr. MacMillan had previously rendered an account omitting Sundays but claiming 15 per cent. When we wrote this memo. it was with the idea of disallowing the 15 per cent. and trying to pin him down to his original memo. for 16 days, that is, the smallest amount claimed. Therefore, we were in favour of challenging the 15 per cent; we were not concerning ourselves so much with the fact that he was charging for Sundays, but the main point in that paragraph 2 was to challenge the 15 per cent.

Mr. ERNST: Well, now, I am asking you, was it in consequence of any mistake in dates given you by Major McLean that any correction was made?

Mr. STEEVES: No correction in dates? That is relating to the final payment.

Mr. ERNST: Was it in consequence of any mistake or error in dates given to you by Major McLean with respect to that item?

Mr. STEEVES: I should think so.

Mr. ERNST: You would?

Mr. THORSON: I am suggesting this question at this moment—

Mr. ERNST: I must say that when my learned friend was asking questions we gave him every opportunity and I expect the same courtesy.

The CHAIRMAN: I think Mr. Ernst is quite correct. He should not be interrupted in the middle of a question.

Mr. ERNST: I find that on the basis of the final payment, at page 191 of the printed report, "Time of men going to Hudson Straits via Larch, July 16th to August 3rd inclusive." I find in your memorandum it refers to Mr. MacMillan's amount which covered the same dates, July 16th to August 3rd, inclusive.

Mr. STEEVES: Yes.

Mr. ERNST: Now, in the face of that, can you say there was a mistake in the dates given to you in that item by Major McLean?

Mr. STEEVES: There was not a mistake in the dates, I would say, as regards the Sundays. There was a mistake in the dates in Major McLean's memo. regarding the period of the contract.

Mr. ERNST: I am back again with reference to this particular item. Was there any mistake in the dates given you with reference to that item by Major McLean?

Mr. THORSON: When was that time made up?

Mr. ERNST: Again, Mr. Chairman, I have the floor.

The WITNESS: The original account as submitted by Mr. MacMillan on December 3rd covered the period from July 16th to August 3rd, the same dates as quoted.

By Mr. Ernst:

Q. Then there is not any mistake in the dates given to Major McLean with reference to that item?—A. No.

[Mr. C. E. Steeves.]

Q. Paragraph 3, "Wages, men returning on Larch covers a period of six days and I find on turning to page 191 that the dates given are October 18th to 24th inclusive, and I find in Mr. MacMillan's account that he submitted the same dates, claiming \$1.095 plus 15 per cent. That is the first account, dated December 3rd. Was there any mistake in respect to that item in the dates given by Major McLean?—A. The dates are the same.

By Mr. Bothwell:

Q. How do you make six days out of that?—A. In the first case—the first claim—a Sunday was not included. Later, the account was rendered for continuous time, which included that Sunday, and which was paid.

By Mr. Ernst:

Q. But it was not in consequence of a mistake by Major McLean?—A. It might be considered that Major McLean made a mistake in his calculation of all of the contract, which induced us to go into the matter.

Q. But you had those dates before you, October 18th to 24th, when you prepared your memorandum?—A. Yes, they were the same dates.

Q. There was a mistake in paragraph 4 in the dates which you had?—A. There was.

Q. And subsequently the dates were altered to read November 11th to November 28th?—A. For the men returning?

Q. Yes. That was a subsequent alteration? It was reduced to 18 days?—A. Yes.

Q. And those 18 days included Sundays?—A. They did.

Q. Did you prepare any subsequent memorandum with reference to this particular matter?—A. No.

Q. In regard to this contract?—A. In regard to the contract. I think I prepared letters, but no memorandum that I can see.

Q. Did you subsequently have anything to do with passing on the accounts?—A. I did.

Q. When?—A. Throughout the contract.

Q. Subsequent to February 9th?—A. Yes.

Q. When?—A. When I passed the accounts.

Q. Did you pass the accounts?—A. I initialled the accounts and checked them.

Q. When was that?—A. I think some time toward the end of February, or shortly after that.

Q. Was that before or after Mr. MacMillan's visit to Ottawa?—A. After.

By Mr. Ilsley:

Q. What was the mistake which Major McLean did make in this memorandum? You had better consult his memorandum on page 175.—A. The main mistake—the cause of all our trouble if you like—was that he was computing the time of the main contract as 75 days, omitting Sundays and holidays, and he ran it in that way for a period of 86 days to October 28th. Omitting the Sundays it left him with 73 working days during the so-called contract period, but subsequently, after I had written the memorandum of February 9th, I had taken the trouble to look at the files to find the radio-telegrams regarding the dates of sailing, and I found that the Larch had arrived August 3rd, the work had commenced on August 4th, that the Larch had left on the 18th of October, that there were 75 calendar days between August 4th and October 17th, and we considered that that must be the contract period.

By Mr. Duff:

Q. You said a moment ago that Major McLean reckoned from the 4th of August to the 28th of October. Are you not mistaken there?—A. No.

Q. Do you not mean November?—A. No.

Q. How do you get 86 days there?—A. August 4th to October 28th.

By Mr. Thorson:

Q. Did you discover that error or did Major McLean discover it?—A. I did.

Q. And did you discuss it with Major McLean?—A. No, I discussed it with Mr. Boyle who discussed it with Major McLean. I might say that that was the cause of this, if you like; if Major McLean's basis of computation was correct, he ran the contract until October 28th and made it 86 continuous days. Previous to the completion of these 86 continuous days, 31 men had returned to Halifax, which would mean that the men as required by the contract had not been kept at the Straits.

Q. After the 75 day period?—A. Yes, they had not been kept there for the 75 day period.

Q. The 46 men were there 75 days?—A. Seventy-five continuous days. That is why I figured that the contract must be interpreted to mean continuous days, and that Major McLean was wrong in his memorandum.

By Mr. Thorson:

Q. And you were wrong in your memorandum of February 9th.—A. Exactly.

Q. And if Major McLean was wrong in computing it was working days, and not continuous days, these men were wrong in respect to the transportation period?—A. Quite.

Q. And that the period should have included 19 days instead of 16 days?—A. Continuous days.

Q. Was it as a result of that discovery that the change from 16 days to 19 days was made?—A. Yes.

Q. And that change from 16 days to 19 days had nothing to do as a set-off against Mr. MacMillan's claim for 15 per cent?—A. Nothing whatever.

Q. At any time?—A. At any time.

By Mr. Duff:

Q. They were wrong in deducting the Sundays both in transportation to and from Hudson's Bay?—A. Exactly, but we had a precedent for it inasmuch as Mr. MacMillan had not claimed for the Sundays in the first place.

Q. That was his fault?—A. Yes.

By Mr. Ilsley:

Q. You were construing every point of dispute in favour of the Department?—A. Exactly.

Q. That is your policy?—A. That is our policy. Whenever possible we cut down the contract prices to the lowest possible amount.

Q. And you later were convinced that you were wrong on several points and reversed your stand?—A. Yes.

By Mr. Ernst:

Q. Before making a change in opinion did you consult any legal authorities as to the interpretation of the question of law involved in that contract?—A. No. I pointed out the matter to the Chief Accountant. I did not make any recommendation that the matter be referred to the legal authorities. It did not occur to me at the time.

By Mr. Thorson:

Q. It seemed so small?—A. Yes.

By Mr. Ernst:

Q: It is a question of law, of course.—A. Possibly.

By Mr. Duff:

Q. In first deducting Sundays, I suppose you looked at the contract and read the contract to see whether you should make the deductions or not?—A. Exactly, yes.

Q. In the contract it states that Mr. MacMillan got a certain amount—if I remember correctly, about \$29,000—in payment for 42 men.—A. A minimum of 42 men.

Q. Not a minimum of 42 men. Was not that \$29,000 based on him sending 42 men to Hudson's Bay?—A. I think you are referring to paragraph 9 of the contract, are you not? \$29,000 is only mentioned in the contract on the page facing 192, at the bottom of the first paragraph—appendix 1.

Q. On page 147 of the evidence of Tuesday, May 7th it says that he "will agree to erect all buildings, plant, radio masts, derricks and so forth, at the three stations within a period of 75 days dated from the time a sufficient amount of materials have been landed at the different stations to proceed with the work, for the sum of \$29,463—based upon the minimum number of (42) men. The contract price will be pro rata according to the number of additional men employed at the rate stated." In other words, if Mr. MacMillan found more than 42 men in his contract, he was entitled to a larger price than \$29,463?—A. That was a preliminary arrangement which was subsequently altered. The final contract did not contain any amount at all.

Q. What did it contain?—A. A minimum of 42 and maximum of 51.

Q. He was not to get any more money for supplying 51 men than 42?—A. No.

By Mr. Ilsley:

Q. What is the meaning of that clause? Why in the world should there be any minimum and maximum in it? He would not take more than the minimum, would he?

MR. ERNST: Surely my learned friend as a lawyer can interpret that clause.

By Mr. Duff:

Q. This memorandum says that he was to get a certain amount of money for 42 men, and he had 46. Is that right?—A. That is right.

By Mr. Ilsley:

Q. Do you interpret the clause as meaning that he can take anything he likes between 42 and 51?—A. Yes.

Q. He could have taken 42 to fulfil the contract?—A. Yes.

By Mr. Thorson:

Q. That would in all likelihood have made a longer overtime period over the 75 days—if he had taken fewer men?—A. It would have, yes.

Q. And his claim for 15 per cent in respect to the overtime period would have been greater?—A. Exactly.

By Mr. Beaubien:

Q. Do I understand that according to the contract he had the right to take 51 men?—A. Yes.

Q. And took only 46?—A. Yes.

[Mr. C. E. Steeves.]

Q. And if he had taken the maximum number of men he would have been entitled to more of the 15 per cent?—A. On the extra period.

Q. Would he not be entitled to 15 per cent on a greater amount of wages?—A. Yes.

Q. If he had more men, he would have had more wages?—A. Yes.

Q. And he was getting 15 per cent on the wages?—A. Yes, outside of the contract itself, outside of the \$29,000.

By Mr. Duff:

Q. Mr. Steeves, in view of the fact that he took 46 men, it did not cost the government or the country as much as if he had taken 42? In other words, there would have been a great deal more overtime?—A. There would have been. I am afraid you are asking me a question which should be answered by Major McLean.

Q. The reason I ask this question is that there is a dispute of a thousand dollars or so, by Mr. MacMillan charging 15 per cent on two or three small items. What I want to get at is this: by the fact that Mr. MacMillan sent four more men than he might have sent, and by the fact that these men worked overtime, is it not a fact that money was saved to the government?—A. Yes, the cost plus period was thereby reduced.

Q. Was not money also saved due to the fact that the work was completed in a shorter time, with the result that both the Larch and the Stanley were released much earlier than they would have been if this overtime had not been worked?—A. That is a fact.

Q. Do you know how much the Larch got per day?—A. \$350 per day.

Q. So that if the overtime had not been done the Larch would have been kept there a great many more days, which would have amounted to a great deal more money than was claimed or that Mr. MacMillan got?—A. I think so.

Q. That also, I presume, applies to the Stanley. How much was she costing per day?—A. That was a government owned vessel.

Q. So she would likely cost more than a chartered vessel. But the fact that it was completed earlier than it would have been, by doing this extra work, saved a great deal of money both on the charter of the Larch and the expenses of the Stanley?—A. Yes.

By Mr. Thorson:

Q. Who is in the best position to say what happened up there, and to answer more particularly the questions Mr. Duff has asked?—A. Major McLean.

By Mr. Ernst:

Q. I notice that Paragraph 9 authorizes in the above expenses, three foremen?—A. Yes.

Q. At the rate of eight dollars per day?—A. Yes.

Q. Is it not a fact that Mr. MacMillan took more foremen than the contract entitled him to?—A. He took a superintendent and three foremen.

Q. Is there any provision in the contract for the payment of a superintendent by the Department?—A. No.

Q. Under what authority was the superintendent paid?—A. Paid for what?

Q. Under what authority was Mr. MacMillan paid for his superintendent?—A. Mr. MacMillan was paid \$29,000 for keeping forty-six men up there for 75 days.

Q. I am asking you in respect of extra time and overtime, under what authority was Mr. MacMillan paid?

MR. THORSON: Only in respect to overtime.

[Mr. C. E. Steeves.]

By Mr. Ernst:

Q. In respect to extra days and overtime on wages of the men during transportation on the Larch and Stanley, both going and coming. Under what authority was Mr. MacMillan paid wages for his superintendent?—A. On the authority of the officer in charge of the expedition.

Q. Without any provision in the contract?—A. Exactly; it was to the interest of the Department—

Q. Without any provision in the contract?—A. Yes.

By Mr. Thorson:

Q. You say it was in the interest of the Department that it should be done?—A. Yes.

By Mr. Ernst:

Q. How can you answer that? Were you there?—A. No.

Q. Why are you so willing to supply evidence?

By Mr. Duff:

Q. Did you consult with Major McLean about this superintendent, and you agreed to it after talking it over with him?—A. I am not aware that the matter was ever gone into, or questioned or discussed.

(Witness retired).

ALEXANDER BOYLE, recalled.

By Mr. Ernst:

Q. Mr. Ilsley was dealing with the question of extras. Will you turn to page 180 of the printed report of May 7th? Do you remember telling Mr. Ilsley there were no extras paid for the labour contract, Mr. Boyle?

Mr. THORSON: He was questioned on that.

Mr. POULIOT: He has already given evidence on that.

By Mr. Ernst:

Q. Do you remember this morning telling Mr. Ilsley there were no extras paid for in respect of the labour contract?—A. Yes, I did.

Q. On page 180 where you see Mr. MacMillan's own account, there is a statement of extras "Extra time over and above 75 day period of contract, plus 15 per cent in accordance with clause 12 of the specifications."

Mr. THORSON: That is not an extra in respect of the contract.

Mr. ERNST: I am not arguing with my hon. friend; I am asking the witness a question.

Mr. THORSON: That is under the contract.

By Mr. Ernst:

Q. A statement of extras. Does that appear in Mr. MacMillan's account?—A. Yes.

Mr. ILSLEY: He is simply playing on words.

Mr. THORSON: It had nothing to do with the materials.

Mr. ILSLEY: My learned friend is playing on this word "extra" for very, very obvious reasons.

By Mr. Ilsley:

Q. Now, look at the item, "Extra time over and above the 75 day period of contract". Was payment for that time covered by a clause in the contract?—A. Yes, sir, it was.

[Mr. A. Boyle.]

Q. Was payment for the overtime during the 75 day period covered by the clause in the contract?—A. Yes, sir, it was.

Q. Was payment for the transportation period covered by a clause in the contract?—A. Yes, sir.

Q. Therefore, payment for those three periods as well as for the 75 day period were all made under the terms of the contract? That is correct?—A. Under the terms of the contract.

Q. Covered by a clause in the contract which in your opinion justified payment?—A. Yes, sir.

Q. And therefore it was not extra to nor outside of the contract?—A. No; there were no extras at all.

By Mr. Duff:

Q. Mr. Boyle, one of the newspapers stated last week that Mr. MacMillan received \$29,000 for his contract, and \$16,000 for extras. Is that statement correct or incorrect?—A. It is incorrect.

By Mr. Beaubien:

Q. Was your answer to me, Mr. Boyle, a little while ago, that Mr. MacMillan received no extras on this contract absolutely within the exact facts?—A. According to the schedule, there were no extras at all.

Q. He received nothing to which he was not entitled according to the specifications of the contract?—A. Exactly.

Witness retired.

NORMAN B. McLEAN called and sworn.

By Mr. Ernst:

Q. Major McLean, were you the officer in charge of the Hudson Straits expedition in the summer of 1927?—A. Yes.

Q. I assume that you went with the expedition from Halifax on the Stanley.—A. I did.

Q. And returned on what boat?—A. On the Stanley.

Q. You were there during the entire period?—A. The period of the expedition?

Q. Yes.—A. No, I was not. I was out here during the winter.

The CHAIRMAN: Would it not be well to establish Mr. McLean's status as to who he is.

By Mr. Ernst:

Q. You were there, Major McLean, during the entire period covered by the labour work?—A. During the construction period.

Q. In what capacity are you employed in the Department?—A. Assistant Chief Engineer of ship channelling at Montreal and Father Point.

Q. Did you have anything to do with the preliminary arrangements with Mr. MacMillan with reference to this particular contract? Did you interview Mr. MacMillan at any time before the contract was actually signed?—A. Yes, we talked it over.

Q. And did the contract embody the conclusions at which you arrived?—A. Well, I think they were arrived at more or less before I talked it over with Mr. MacMillan.

Q. You prepared some memoranda for the Department with reference to the expedition?—A. Yes, I did.

Q. At the time you prepared this memoranda were you aware of the rate of pay Mr. MacMillan was paying his men?—A. No, I was not.

[Major N. B. McLean.]

Q. Are you aware of it at the present time?—A. No, I am not.

Q. I find a memorandum of yours to the Deputy Minister at page 176 of the printed report, and one to the Chief Accountant at page 175 of the printed report.

The CHAIRMAN: From what dates are you going to quote?

By Mr. Ernst:

Q. Page 175 of the report of May 7th.—Yes.

Q. In find in that memorandum these words:

With regard to the accounts for wages of men going to and from the Hudson Straits, the one for the period July 16th to August 3rd, is correct, but the amount payable is \$4,472, not \$5,152.80, as according to the terms of the contract the 15 per cent claimed for "handling" cannot be allowed.

I suppose that correctly represented your opinion at that time, Major McLean? —A. It did.

Q. You subsequently certified an account for \$5,310.50?—A. I did.

Q. Can you tell us what induced you to make the change to the larger amount?—A. Well, if you read this memo. through you will see right from the start that I made a mistake in the reckoning of the days.

Q. When did you come to that conclusion?—A. That I had made a mistake?

Q. Yes?

The CHAIRMAN: When he discovered it, I suppose.

By Mr. Ernst:

Q. Did you discover it on your own volition, or after the conference between the Deputy Minister, Mr. MacMillan, Mr. Boyle and yourself?—A. I think Mr. Steeves drew the attention of Mr. Boyle to it, and we discussed the matter and went into it carefully and studied the contract, and concluded that I got off on the wrong foot.

Q. Was it as the result of representations made by Mr. Steeves that you changed your opinion?—A. Yes, through Mr. Steeves.

Q. And was that before or after the conference with Mr. Johnston, the Deputy Minister, Mr. MacMillan, Mr. Boyle and yourself?—A. I think it was before the conference, yes; I am certain.

Q. Do you remember about what date that would be?—A. Oh, I would say sometime about the middle of February, but I cannot tell you the date for certain.

Q. When you came to the conclusion that you had made an error, what alterations did you make in your opinion as to the amounts which should be paid to Mr. MacMillan? Will you tell us the total amount of changes you concluded ought to be made in his favour?—A. Well, we concluded that the 75 days were from August 4th till October 17th, and that he should be paid \$29,000 odd.

Q. For that period?—A. For that period.

Q. And should also be paid extra time?—A. You mean, overtime?

Q. No, extra days? Did you at that time conclude that he should be paid extra days?—A. Yes. The finding of a mistake about the 75 days led us to reconsider it, as a matter of fact, the time in transit, and in the reconsidering and the going over the contract, and studying that—

Q. And did you also at that time conclude that Mr. MacMillan was entitled to extra days over the 75 day period apart altogether from transportation?—A. You mean the period and the cost plus?

[Major N. B. McLean.]

Q. Yes?—A. Most assuredly. If you will permit me to tell you here, I carried the period on to October 28th or 29th, you see, when the work was actually done, and that was all reconsidered.

Q. You concluded that Mr. MacMillan in the first place was entitled to have his contract construed as 75 days calendar time?—A. Calendar time.

Q. And that in consequence he was entitled to extra days—

Mr. ILSLEY: That is not correct.

Mr. ERNST: Just one moment. I have the floor, Mr. Chairman, and I want to ask the witness questions.

Mr. ILSLEY: My learned friend must know that he has put a statement of fact to a witness that is not correct, because the witness has allowed in the memorandum quite a large number of extra days. How can my learned friend put a question like that to him—

Mr. ERNST: I do think, Mr. Chairman, that I should be allowed to ask the witness the question.

Mr. ILSLEY: I am simply protesting against your question. My friend is quite at liberty to protest against any unfair question of mine.

By Mr. Ernst:

Q. I repeat my question. You concluded that the 75 days were to be construed as straight time?—A. Yes.

Q. During the conference between yourself, Mr. Steeves and Mr. Boyle?—A. Yes.

Q. As the result of representations made by Mr. Steeves?—A. Yes.

Q. You concluded, secondly, that in consequence of that interpretation Mr. MacMillan was entitled to extra days over the 75 day period?—A. I do not think so, not in that sense. We commenced then to study the contract very carefully.

Q. Well, did you conclude that he was entitled to money for extra days at that time?—A. We concluded that he was entitled to 19 days in place of 16 days, after carefully reconsidering the contract.

Mr. THORSON: That is in respect of the transportation period.

Mr. ERNST: I am referring to those which were to be paid on the cost plus basis.

By Mr. Ernst:

Q. Did you at that conference conclude that there were days which must be paid on the cost plus basis?—A. I do not know if it was at that conference or not, but we had a concrete length of time for 75 days; there was work carried on after that for a period of another eight days, or something like that, roughly speaking, and there was a clause in the contract which covered that, which said it could be carried and should be carried out at cost plus.

Q. And did you conclude that Mr. MacMillan was entitled to something under that head?—A. Well, at that conference that I think led up to that.

Q. Did you at that time conclude that Mr. MacMillan was entitled to something on the cost plus basis for extra days?—A. I presume we did. It is reasonable and logical that we should.

By Mr. Duff:

Q. Was that overtime and not extra days? It could not be extra days for the 75 day period?—A. It was on the cost plus basis.

Mr. ERNST: Mr. Chairman, I appeal to you to be allowed to question the witness without interruption. I have extended the same courtesy to the other people.

The CHAIRMAN: I feel that Mr. Ernst ought not to be interrupted, because all these assertions and unfair statements which are claimed made by Mr. Ernst will all be ironed out as soon as Mr. Ilsley and Mr. Thorson get after the witness in re-examination, I have no doubt.

Mr. BEAUBIEN: But why should any one man have a monopoly in asking questions in this Committee?

The CHAIRMAN: No man has a monopoly in asking questions in this Committee.

Mr. BEAUBIEN: You are a lawyer and I am not, but you go into a court of any kind, and suppose that you are defending or prosecuting, surely I have a right at any time before a judge to get up and object to any question?

The CHAIRMAN: If the questions are objectionable.

Mr. ERNST: I am not objecting to that, Mr. Chairman. If an objection is taken to the Chair, very well. I am satisfied to have the Chair rule on the question, but I do object to the interjection of questions by members of the Committee while I am examining the witness.

The CHAIRMAN: I may say, Mr. Ernst, that many of your questions are suggestive.

Mr. ERNST: Naturally, Mr. Chairman. You would hardly suggest to me that departmental witnesses were my witnesses in the ordinary sense?

The CHAIRMAN: Why not? They are as much your witnesses as anyone's.

Mr. ERNST: I scarcely take that as a fair suggestion, and I think if you will examine the sittings of this Committee during the past years—I have taken the trouble to examine them—you will find that the line of questions has always been suggestive?

Mr. THORSON: Is that the proper way to get at the truth?

The CHAIRMAN: We are going to correct that now under this administration.

Mr. THORSON: What has this to do with the expedition to the Straits?

The CHAIRMAN: Proceed, Mr. Ernst.

By Mr. Ernst:

Q. Major McLean, I asked you if at that conference you first decided that the 75 days must be reckoned as straight time?—A. I told you that, yes.

Q. And I asked you, in the second place, if at the same conference, in consequence of that, you decided that Mr. MacMillan was entitled to extra days on a cost plus basis?—A. Well, it led up to that. I changed my idea of the thing. That is not extra time.

Q. No, no, extra days on a cost plus basis?—A. That is not extra days. It is provided for in the contract.

Q. Well, it is beyond the 75 day period. Do you object to the term "extra"?—A. It is provided for in the contract.

Q. Simply as a result of it, you decided, that Mr. MacMillan was entitled to days on a cost plus basis beyond the 75 day period?—A. Yes, sir, certainly.

Q. And did you decide at that conference that Mr. MacMillan was entitled to be paid for Sundays during the time of transportation?—A. I do not know if it was at that conference.

Q. What then?—A. About that time. We were studying the thing carefully. We had made a mistake and did not want to make another one, and went into the contract very carefully, and we concluded that by the terms of the contract he was entitled; it says that amount will be paid during transportation.

Mr. THORSON: You say, "Referring to the conference at which Mr. MacMillan was present"?

[Major N. B. McLean.]

Mr. BEAUBIEN: Just on that point. There have been two conferences mentioned.

Mr. ERNST: I have already asked the question at least four times.

The CHAIRMAN: What Mr. Beaubien wants to have strictly stated is that it was the non-Johnston conference.

By Mr. Ernst:

Q. No doubt, at that same time, or thereabouts, it was decided that Mr. MacMillan was entitled to be paid 15 per cent of his overtime, or on the overtime wages of the men?

Mr. THORSON: That is, during the 75 day period.

The WITNESS: I cannot say as to that.

By Mr. Ernst:

Q. Do you remember when you decided when he was entitled to that?—

A. No, sir, I do not remember.

Q. Was it before or after the conference with Mr. MacMillan?—A. It may have been at the conference. That may have been brought up at the conference.

Q. Well, then, if that were the case, that would be the only matter remaining for discussion at the conference between Mr. Johnston, Mr. MacMillan, Mr. Boyle and yourself?

Mr. THORSON: Now, you are on to the other conference.

Mr. ERNST: I am specifically naming the people who were at the conference. Surely it is not open to misinterpretation?

The WITNESS: There were other matters brought up at that conference.

By Mr. Ernst:

Q. What other matters?—A. One matter I am absolutely sure of was the question of the painting of the bundles of lumber.

Q. Anything else?

Mr. THORSON: The painting of the bundles, that has not been mentioned yet.

Mr. ERNST: I object to Mr. Thorson interrupting.

Hon. Mr. RYCKMAN: I do not think he should be allowed to interrupt. It is not fair, and Mr. Thorson knows it is not fair. If the situation were reversed and he was asking questions—

Mr. THORSON: I would be glad of all the assistance possible to get at the truth.

Hon. Mr. RYCKMAN: If Mr. Thorson were a lawyer he would know better than to interrupt in the way he is doing now.

The CHAIRMAN: He is a lawyer and a good one.

By Mr. Ernst:

Q. I am asking you, Major McLean, at that conference between Mr. MacMillan, Mr. Johnston, Mr. Boyle and yourself, what matters were discussed in addition to the 15 per cent handling charge on the overtime?—A. Well, I told you that I am absolutely sure of this, because it was impressed on me for reasons, the question of the payment of the painting of the bundles, a matter of \$5,000 odd, was discussed.

Q. What else?—A. And I think the matter of moving the material in the shed was discussed. I do not recollect anything else. I am very sure about the painting.

Q. Was there any discussion of the 75 day period at that time?—A. I am sure it did not come up.

[Major N. B. McLean.]

Q. You are quite certain?—A. Yes.

Q. Now, Major McLean, at page 182 of the printed report, I find a letter from Mr. MacMillan dated March 2nd, 1928, attention of A. Boyle, Chief Accountant:

DEAR SIR,—I am advised by my office since my return to Halifax that they forwarded you the disputed time sheets. I trust that we will now be able to arrange the whole matter.

The situation is, as I explained while in Ottawa, we were obliged to pay the men on the time sheets which were returned to us by your time-keeper. If a mistake was made undoubtedly it was made by your officer, not mine, and I do not know any reason why I should be out money when the mistake was not made by any of my employees, and this overtime was not paid until I received instructions to pay it from your department.

As far as I can recollect everything else was arranged. There seemed to be a difference of opinion with respect to the 75 day period. However, my interpretation of that clause is, the time elapsed for my completion of the work was to be 75 days from the date the work was started, actual elapsed time.

Now, in the face of that letter from Mr. MacMillan after the conference, stating what took place at the conference, do you wish to alter your statement that the 75 day period was not discussed?—A. No, I do not.

Q. You still think it was not discussed?—A. I still think it was not discussed. We had quite a talk with Mr. MacMillan previous to that among ourselves.

Q. Well, can you account for his statement: "There seemed to be a difference of opinion with respect to the 75 day period"?—A. Well, there might easily have been. We might have expressed our opinions, or talked it over along the lines that we had previously figured the thing.

Q. Well, now, as I understand you, the departmental officers had already arrived at the conclusion before that conference, that Mr. MacMillan's interpretation was correct?—A. Yes.

Q. Can you account for Mr. MacMillan, on March 2, after the conference, writing and saying, "There seemed to be a difference of opinion with reference to the 75 day period."—A. It does not say he was not going to get—

Q. I am asking you what difference of opinion there was?

Mr. ILSLEY: He has not been allowed to give his answer.

Mr. ERNST: Object to the Chair.

Mr. ILSLEY: I am objecting to the Chair. I say that the witness was not allowed to finish his answer.

The CHAIRMAN: Finish your answer, Major McLean?

The WITNESS: That thing might have been talked over between MacMillan, Boyle and myself, and we may also have talked over the whole darn thing.

By Mr. Ernst:

Q. Well, how can you account for any difference of opinion at the time of the conference?—A. He says there seems to be a difference of opinion, but does not say there is any trouble.

Q. Answer the question, Major McLean. Can you account for any difference of opinion at the conference as to the construction of the 75 day period?—A. No.

Q. Can you account for Mr. MacMillan saying this:

However, my interpretation of that clause is, the time elapsed for my completion of the work was to be 75 days from the date the work was started, actual elapsed time.

[Major N. B. McLean.]

—A. No, I cannot account for that.

Q. Major McLean, you are familiar with the clause of the contract which makes provision for completion of the work after the 75 day period on a cost plus basis?—A. Yes.

Q. What do you reckon as cost? I believe you will find it in paragraph 12:

Should it be found impracticable or impossible due to unforeseen or unknown causes, which in the absence of the necessary information make it impossible to estimate or determine upon, to erect any part of the stations within the 75 day period fixed by the Department, the contractor may at the discretion of the Officer-in-Charge be required to complete the work on a cost plus basis, the percentage to be paid the contractor to be not more than 15 per cent of the cost of completing such work.

You are familiar with that?—A. Yes.

Q. What do you reckon as cost?—A. Our datal rate with MacMillan.

Q. Now, had you been aware that MacMillan was paying his men substantially less than that datal rate, would you have certified the account which was subsequently passed, or finally passed?

Mr. THORSON: That is a legal question. I do not think it is a fair question to ask.

By Mr. Ernst:

Q. Had you been aware that MacMillan was paying his men substantially less than the rates specified in the contract would you have certified the account for payment—

Mr. THORSON: Just a minute. I want to make an objection there. Is there any suggestion that they were paid less?

The CHAIRMAN: There is no proof of that.

Mr. THORSON: Then that hypothetical question should not be permitted.

Mr. ERNST: I would not make that statement, Mr. Chairman, so recklessly, as not to be in a position to prove it if occasion demands. I am quite prepared to prove that the men did not receive these rates.

The CHAIRMAN: Would it not be more regular, Mr. Ernst, first to prove it?

Mr. ERNST: That will mean keeping Major McLean here and calling someone to prove it.

The CHAIRMAN: We brought Mr. MacMillan here from Halifax and he is here going into his second week.

Mr. ERNST: The question can be answered now quite simply. How can the question be objectionable?

Mr. THORSON: It is hypothetical.

Mr. BEAUBIEN: You are asking the question—

Mr. ERNST: I assume that I can prove what I am saying, that certain things did happen.

Mr. BEAUBIEN: Ask what happened first and then those questions afterwards.

Mr. ERNST: Mr. Chairman, to start with, it has already been proved in evidence by a telegram, at page 187, from E. K. Walker. That telegram appears in the printed evidence before this Committee.

The CHAIRMAN: The fact that there is a telegram, and produced by no person in authority—

[Major N. B. McLean.]

Mr. ERNST: It is produced by Mr. Boyle, the Chief Accountant here, in the departmental file.

Mr. THORSON: What date?

Mr. ERNST: It appears at page 187, at the bottom of the page.

The CHAIRMAN: What is it?

Mr. ERNST: Mr. Chairman, I must insist that my question is a fair one, and if you rule against me I must appeal from your ruling.

Mr. DUFF: That refers to the 75 day contract, not to the overtime.

Mr. ERNST: It is not overtime that I am talking about.

Mr. DUFF: What are you talking about?

Mr. ERNST: My questions are perfectly clear, if the hon. gentleman would only listen.

Mr. DUFF: Well, no, your questions are not clear at all. That is what we object to, quite to the contrary.

The CHAIRMAN: Is that the telegram signed by Walker:

Mr. MacMillan absent from city for some days. According to records men were employed under contract signed by them before leaving here following rate of wages rough labourers one hundred dollars per month, skilled labourers one hundred and twenty-five dollars per month, carpenters, one hundred and fifty dollars per month, foreman, eight dollars per day, superintendent eight dollars per day, this monthly. Rate gave men straight time no deductions made for broken weather or time lost through accident all overtime paid according to schedule of rates as set forth in contract.

You do not contend that that is evidence?

Mr. ERNST: Why is it not, Mr. Chairman, from Mr. MacMillan's own office, in reply to a telegram. I cannot see why it is not, Mr. Chairman.

The CHAIRMAN: It is not produced by any person under oath.

Mr. ERNST: Do you mean, Mr. Chairman, that we have to call Walker in order to prove that telegram?

The CHAIRMAN: Mr. Ernst, you are too good a lawyer to submit that a statement of this kind, a wire which is filed in with a bundle of other papers, without proof of any kind by the parties who sent it, is legal evidence?

Mr. ERNST: Surely, Mr. Chairman, you do not want to suggest that in an inquiry of this kind, we should be called upon to produce proof of a document put in with the balance of the file.

The CHAIRMAN: Well, I have to rule.

Mr. ILSLEY: The telegram is not part of what he is talking about.

Mr. ERNST: I move that the Committee adjourn and that we call here one of the foremen, and I will name the foreman to send to Halifax for.

The CHAIRMAN: Mr. MacMillan is a competent witness in this matter, is he not?

Mr. ERNST: I have no right to assume what Mr. MacMillan will or will not say.

The CHAIRMAN: I may say that I might have allowed this to go if there had been no objection from the floor.

Mr. ERNST: I have no doubt, Mr. Chairman, that Major McLean will answer the questions satisfactorily, having had something to do with the conduct of the matter. If he is not to be allowed to answer the question then I am going to ask that one of the foremen be brought here to give evidence.

[Major N. B. McLean.]

The CHAIRMAN: Do you make a motion to that effect?

Mr. ERNST: If you are going to rule that that question is unfair.

The CHAIRMAN: The question is not regular.

Mr. ERNST: It is done every day in court.

The CHAIRMAN: I have to decide according to the objection made, Mr. Ernst. I am sorry.

Mr. THORSON: We are anxious to get at the facts. Surely that is not the facts.

Hon. Mr. RYCKMAN: We have no objection to a hypothetical question.

The CHAIRMAN: There is no proof of this, and here are objections from the floor, and I really have to decide them.

Hon. Mr. RYCKMAN: I think the question is a perfectly proper one. I would not like to have the Chairman rule on this question at this time. As far as Mr. Ilsley is concerned, his examination was spotted all through with hypothetical questions and no one took objection to them.

The CHAIRMAN: No objection was taken to them. You see the position I am in. How can I decide a point of that kind when I am convinced that these gentlemen are within the law.

Hon. Mr. RYCKMAN: I would suggest that Mr. Ernst put his question, or that it be read, and that the witness be asked for an answer, and then let the Committee decide. Let us have a decision on this very important matter. If it should go out that a proper question is denied answer by this Committee—

Mr. THORSON: There is no question that this Committee is denying answers to proper questions.

Mr. ERNST: It is a fact.

The CHAIRMAN: Mr. Ernst might re-form or modify his question.

Mr. ERNST: I will neither re-form nor modify my question. I put a fair question, and I will ask for a ruling on the objection to it, and appeal from the ruling, and ask for a vote on it.

The CHAIRMAN: You can say that you are advised from reliable information that their salaries were so-and-so, and ask the witness if that is correct.

Mr. ERNST: Mr. Chairman, if you had been listening a moment ago you would have heard me ask Major McLean if he was aware of the rate of pay paid to MacMillan's men, and he said no. That was at the first part of his hearing to-day.

The CHAIRMAN: He said that he was not aware that they had been paid a certain amount.

Mr. ERNST: Certainly, but he further informed me that his certificate was given on the assumption that the men had been paid according to the contract schedule.

Mr. DUFF: No, that was for overtime.

Mr. ERNST: I will go back and have the record read, if there is any dispute about that. I will put the question again.

By Mr. Ernst:

Q. If you had known that Mr. MacMillan was paying the men substantially less than the schedule of rates, would you have certified the account for extra days plus 15 per cent?

Mr. THORSON: I do not know whether that is quite fair to Mr. MacMillan. It is all very well to put the question in that way, but I am not so sure that it is fair to Mr. McLean. There is a suggestion there that Mr.

[Major N. B. McLean.]

MacMillan did not pay the men the rate that he should, and that is an unfair suggestion to make.

Mr. ERNST: There is nothing unfair about it. If it were untrue, it would be unfair.

The CHAIRMAN: There is no proof of it.

Mr. ERNST: I am prepared to prove it. We can adjourn the Committee and send to Halifax for the superintendent and foremen.

Mr. BEAUBIEN: Mr. MacMillan has been here for a week, and will be put on oath and he can then be asked the question as to the wages he paid his men.

The CHAIRMAN: But Mr. Ernst does not wish to proceed that way, because he may not be satisfied with Mr. MacMillan's answer.

Mr. ERNST: That is quite true.

Mr. THORSON: If he can put that—

Mr. ERNST: I ask for the ruling of the Chair.

The CHAIRMAN: I have to decide against you.

Mr. ERNST: I wish to appeal from the ruling. Will you put the question?

The CHAIRMAN: The question was put as follows: "If you had known that Mr. MacMillan was paying the men substantially less than the schedule of rates, would you have certified the account for extra days plus 15 per cent?" To that objection was taken by Mr. Ilsley, Mr. Thorson and Mr. Beaubien—

Hon. Mr. RYCKMAN: By all the Liberals.

The CHAIRMAN: That is not quite fair, Mr. Ryckman. The objection is sustained. Mr. Ernst appeals from the decision of the Chair. All in favour of sustaining the Chairman will so reply on the calling of their names.

Mr. ERNST: Yes, let us have a poll.

Motion being put, the Chair was sustained on division, eleven for, five against.

The CHAIRMAN: We will adjourn until four o'clock.

Witness retired.

The Committee adjourned until 4 p.m.

AFTERNOON SESSION

The Committee resumed at 4 p.m., Mr. Jacobs in the Chair.

NORMAN B. McLEAN recalled.

Mr. BEAUBIEN: Mr. Chairman, before we go on with the witnesses, may I be permitted to refer to an article in the Halifax Herald? I am referring to this in view of the testimony given this morning by Mr. Boyle in reply to a question asked by myself. This reads: "That Mr. MacMillan got \$15,000 extras on a \$29,000 job." Mr. Boyle, under oath this morning, made the statement that Mr. MacMillan got no extras on his contract. I would like the Committee to take note of that. Also that "no vouchers presented for overtime claimed by Halifax contract." That is false. Also that "on this overtime contract he presented a bill for \$16,000 extras and was paid this amount despite the protest of an accountant and a deputy minister." That is false also according to the testimony given by Mr. Boyle. I wanted to bring that to the attention of the Committee. Do you concur in that, Mr. Ernst?

Mr. ERNST: I neither concur nor dissent. I do not think it is the function of this Committee to try any newspaper. If it makes incorrect statements, Mr. MacMillan has his remedy.

[Major N. B. McLean.]

Mr. BEAUBIEN: That is all very well, but if a newspaper spreads around to the public a statement that is absolutely false, I think it is the duty of a member of this Committee to bring it to the attention of the Committee, and ask that it be given the same publicity as the article referred to.

The CHAIRMAN: It will be noted by the reporter and appear in to-day's proceedings.

By Mr. Ernst:

Q. Major McLean, I was asking you this morning about a conference with the Deputy Minister, Mr. Boyle and Mr. MacMillan which you attended—do you know when?—A. I would say some time toward the end of February; I cannot be definite.

Q. How did you come to attend that conference?—A. I guess I was probably instructed to.

Q. Were you summoned?—A. By the Deputy Minister?

Q. Yes.—A. Altogether likely. That is the usual procedure.

Q. Do you remember who was present when you appeared in the room?—A. No, I do not.

Q. Was Mr. MacMillan there when you first came in?—A. I do not remember.

Q. Was Mr. Boyle?—A. I do not remember. I have a notion that Mr. Boyle and I may have gone in together, but I am hazy about that.

Q. You work in offices situated in close proximity to each other?—A. Not very.

Q. Do you remember if Mr. MacMillan was present when you arrived?—A. I cannot say.

The CHAIRMAN: Is this material, Mr. Ernst? I do not wish to stop you—

Mr. ERNST: I will not spend any great time on it, but I think I am entitled to test the memory of the witness on this question.

By Mr. Ernst:

Q. You say that you do not recollect when Mr. MacMillan arrived?—A. No, I do not.

Q. Whether he was there or arrived afterwards?—A. I do not remember.

Q. Where was the conference held?—A. In the Deputy Minister's office.

By Mr. Ilsley:

Q. I wish to ask you a few questions. Have you before you the minutes of proceedings of this Committee for Tuesday, May 7th, at page 146?—A. Yes.

Q. I wish you would refer to your telegram of June 8th, 1927, "Mr. Surtees leaving to-day to arrange contract with you erecting buildings". That was addressed to Mr. MacMillan. It is the beginning of the file which was read into the record?—A. Yes.

Q. Now, had you been in Halifax before that during the year 1927 in connection with an expedition to Hudson Straits?—A. Yes.

Q. There was a prior contract, was there not, between the government and Mr. MacMillan by which Mr. MacMillan contracted to supply certain buildings in a knocked down condition and material for the buildings?—A. There was.

Q. And that contract was let to Mr. MacMillan after tenders had been invited from seven firms? Is that correct?—A. I believe so; I had nothing to do with the tenders?

Q. You knew Mr. MacMillan was the lowest tenderer?—A. I understood so.

Mr. DUFF: He said he had nothing to do with the tenders.

Mr. ERNST: I purposely refrained from going into that on the understanding that there was to be no further inquiry into it. If my hon. friend wants to

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open it up I am quite content. We will then have the names of the firms read into the record.

Mr. ILSLEY: I am not opening up the question, but this is the starting point. It has a material bearing on this contract, which I think will be apparent as I go on.

By Mr. Ilsley:

Q. These materials which were supplied were for the buildings erected under this labour contract?—A. That is correct.

Q. Now, what buildings were erected at Hudson Straits?—A. Twenty-one buildings.

Q. What were they?—A. I cannot put my hand on them as quickly as I thought, but I think I can name them.

Q. I have a memorandum which perhaps covers that. Three men's dwellings, 28 by 58; three officers' dwellings, 28 by 58; six hangars, 39 by 53; three power houses, radio, 18 by 36; three blubber houses, 16 by 34; three storehouses, 16 by 32; three skidways, portable, wheels and trucks special; six latrines; six pantry cupboards; six derricks; six radio masts?—A. Yes.

Q. Was that the material for those buildings which Mr. MacMillan supplied under his first contract, that is, his contract for materials? Was it the material for those erections he supplied under that first contract?—A. Right.

Q. I am not speaking of the contract under investigation.—A. The materials for those 21 buildings.

Q. And he supplied those in a knocked down condition ready to put up there?—A. Yes.

Q. And they were tied up in bundles, were they?—A. They were bundled and marked so that the bundles could be sorted out. For instance, for the storehouses all the materials for them could be picked out and sorted out, and they were also marked so that they could be sorted out by bases.

Q. How many bases were there?—A. Three.

Q. Where were they?—A. Base B. on Nottingham Island at the west end; Base C on Wakeham Bay, for use east and west; and Base A at Port Burwell at the east end.

Q. Were they all on the south shore of the Straits?—A. Nottingham Island, —Base B was on an island, about the entrance.

Q. On the south side of the Strait, was it not?—A. At the entrance of the Strait.

Q. At the absolute entrance of the Strait?—A. Thereabouts, I can show it to you on the map.

Q. How far apart were these bases?—A. Roughly about two hundred and fifty miles from Nottingham to Wakewell, and about the same to—

Q. Were these places inhabited?—A. There were some odd huts and Hudson Bay posts.

Q. Did you get such information as you could about conditions up there before you organized the expedition?—A. We did.

Q. Had you been up there before, yourself?—A. I had not.

Q. Had anybody in the employ of the department been up there?—A. Not anybody in the expedition, barring the Mounted Policeman.

Q. But there were Mounted Policemen in the employ of the Government who had been up there, with whom you were in touch before you got up there.—A. Yes, we got a lot of information from the Mounted Police.

Q. I notice Mr. Surtees went to Halifax to talk to Mr. MacMillan, who is Mr. Surtees?—A. Mr. Surtees is one of the architects in the department.

Q. Did he have special knowledge, do you know, of the conditions in Hudson Strait?—A. I do not know that he had more than any of the rest of us.

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Q. How did you happen to be placed in the position of Chairman of the expedition, or what was your position?—A. I was Officer in Charge of the expedition.

Q. What was your position in the department when there was no expedition?—A. I am one of the engineers of the ship canal.

Q. What ship canal?—A. The St. Lawrence.

Q. How long have you been in that position?—A. Since 1901.

Q. Why did you go to Mr. MacMillan instead of somebody else, or why did you send Mr. Surtees to Mr. MacMillan, because I believe you did send Mr. Surtees to Mr. MacMillan?—A. I do not know that I did.

Q. Was there a reason for going to Mr. MacMillan to get this labour contract done by him if possible?—A. Most assuredly.

Q. What was the reason?—A. The reason was that his men had been employed in preparing the materials and were thoroughly conversant with the buildings that had to be erected, and it was thought that the crew of men who had done the work of preparing the material would be the best ones to put it up. That was sensible and logical.

Q. You say his men had been engaged in preparing the materials. Is he a saw mill operator?—A. I cannot say, but I think he is.

Q. And a lumber man?—A. Speaking in a general way, yes.

Q. So you had Mr. Surtees go to Mr. MacMillan to see what sort of a contract he could make with him for putting up these materials which his men had prepared themselves?—A. Yes, that is right.

Q. Let me run over the events in their order, to see what happened. On June 8th you wired Mr. MacMillan that Mr. Surtees was coming to see him in Halifax—is that right?—A. Yes.

Q. On the same date you wired Mr. Mattice, at Halifax, saying that Mr. Surtees would arrive in Halifax Thursday night, and giving him other directions. You wired Mr. Mattice?—A. Yes, I see that telegram here.

Q. Who is Mr. Mattice?—A. He is in the Accountant's branch.

Q. What was he doing in Halifax?—A. Oh, I think at that time he was making arrangements for receiving material and one thing and another like that. Speaking generally, he was going to check the material; and that was mainly what he was doing.

Q. Then on June 11th there was a wire to you from Mr. Surtees, that is at the bottom of page 146, stating something about the material?—A. Yes, I see that.

Q. And then a wire from Mr. Surtees to you stating that he had completed an agreement with Mr. MacMillan which was of advantage to the department. That is top of page 147.—A. Yes, I see that.

Q. Let us follow the story along, because I have questions which I wish to ask in connection with these telegrams. Then there was a memorandum by Mr. Surtees, which is dated June 14th, according to the date given here.

An hon. MEMBER: What page is that on?

By Mr. Ilsley:

Q. It is on page 147, about the middle of the page. My recollection is that the date is June 15th. Is the file here, and can you refer to it? Do you know the date of that without consulting a file?—A. No, I do not.

Q. Have you the file here so that you can tell me what the date of the telegram from Surtees is?—A. No, I have not the file.

Mr. ERNST: It is June 14th.

Mr. ILSLEY: I am quite sure it is June 14th. Then next there was a telegram from MacMillan to Surtees, on June 17th, asking that he be advised as to the decision regarding the contract. You see that do you, Mr. McLean, on

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page 148? "Advise immediately decision regarding my offer erection buildings."
—A. Yes, I see that.

Q. Then next, I see there is a telegram from you to MacMillan, asking for an offer on a cost plus basis.—A. Yes.

Q. You sent that on June 21st?—A. That is what it says here, yes.

Q. What was your idea in sending that telegram? Was it to see whether you could get a more favourable offer, or what?—A. Well, I conclude it was.

Q. You have no independent recollection of it at this moment, or have you?
—A. No, not now.

Q. Then there was an inquiry from MacMillan, on June 22nd, about what you meant?—A. Yes.

Q. And a reply, on June 22nd, by you to MacMillan?—A. Yes.

Q. And MacMillan, on June 23rd, gave you a sort of a quotation on a cost-plus basis, did he not?—A. On June what?

Q. On June 23rd. See page 149.—A. He gave a kind of a bid there, if you like to call it that.

Q. The next is a telegram from Mr. Flood accepting his offer on the lump sum basis instead of the cost plus basis?—A. Yes, I see that.

Q. Do you remember whether Mr. Flood and you discussed the advisability of accepting the cost-plus offer, as opposed to the lump sum offer?—A. No, I do not think we did.

Q. Then there seems to have been some delay in MacMillan's reply, and if you refer to the middle of page 150 you will find when MacMillan finally agreed to accept the offer of the department. It was on June 29th, was it not?
—A. Yes, June 29th.

Q. But certain conditions were placed in his telegram?—A. Yes.

Q. They are set out in the telegram, in the record?—A. Yes.

Q. Then how long after that did you go to Halifax? We are now at June 29th.—A. I think I got to Halifax about the 11th.

Q. About the 11th July?—A. Yes. That is as close as I can place it. My recollection is that I left Montreal on a Sunday and the 11th was a Sunday.

Q. The contract was not signed at that time?—A. No, it was not.

Q. The contract was not signed by MacMillan until the 15th July?—
A. Yes, the 15th.

Q. And there was some more discussion with Mr. MacMillan about the terms of the contract?—A. Yes.

Q. Was MacMillan anxious to go on with the contract?—A. No, he was not.

Q. Did he tell you anything to indicate that he was not anxious to go on with the contract?—A. Yes, he did.

Q. What was it?—A. He said he had a gang collected and he would turn them over to me and I could handle them myself.

Q. Take them off his hands?—A. Take them off his hands.

Q. And he would bear the loss of organizing the expedition?—A. And he would bear the loss of the organization for getting these men together.

Q. Did you accept that offer?—A. I did not.

Q. Why did you decline to accept that offer?—A. I thought we had enough on our hands.

Q. When he made the offer to the department to supply this labour on a cost plus basis was there any understanding about who should take the risk of accidents, deaths, and so on, of the men on the trip?

Mr. ERNST: Does not the contract speak for itself? I really object, Mr. Chairman, on the ground of relevancy.

The CHAIRMAN: He is probably creating atmosphere.

Mr. ILSLEY: A lot of it has been created.

Mr. ERNST: Most of it is hot air.

By Mr. Ilsley:

Q. Was there any discussion about the risk of accident and death of these men, whether the department should bear it or Mr. MacMillan should take that risk in the event of his doing the work on the cost plus basis?—A. No.

Q. Do you know anything about Mr. MacMillan's difficulties, in trying to insure these men?

Mr. RYCKMAN: We are not concerned with that.

The CHAIRMAN: Insuring them against death?

By Mr. Ilsley:

Q. Against death or accident. Do you know anything about that?—A. I know what Mr. MacMillan has told me.

Q. When did the vessel sail?—A. 27th July.

Q. What vessel was that?—A. The Larch and the Stanley.

Q. Did they both sail the same day?—A. Yes.

Q. Did they take only men, or what else?—A. Oh, they took all sorts of cargo.

Q. Anything more than materials?—A. Oh yes.

Q. What, for instance?

By the Chairman:

Q. You were on board, were you?—A. I was on board the Stanley, sir. Do you want more or less of details?

By Mr. Ilsley:

Q. Just give me a general idea—what was there in addition to materials, in a general way?—A. On the Larch there were 2,700 tons of coal intended for both ships, as well as 2,585 tons of general cargo.

Q. Now, what about the Stanley?—A. The Stanley had all the coal she could carry for herself, and a certain—not much more than provisions for the ship; and then she was loaded down too low at that.

Q. Had you ever been connected with an adventure or expedition of this sort before, or was it an adventure under unknown or unprecedented conditions, so far as you were concerned?—A. Yes, to some extent, anyway. I had never been in that country.

Q. Then when you got up there, you started building these sets of buildings at each base, did you?—A. Yes.

Q. With a foreman in charge of a gang at each place?—A. Yes.

Q. Some mention has been made of a superintendent this morning?—A. There was a superintendent for MacMillan.

Q. What did the superintendent do?—A. Oh, he moved around from base to base.

Q. Was it important to get these bases completed at the same time or as nearly at the same time as possible—did anything depend or turn on that?—A. Well, it was important to get them completed as early as possible.

Q. I am speaking now about getting them completed at the same time?—A. Well, you could hardly do that.

Q. Supposing, for instance, you got one base completed very early in the game, could you get your men easily to the next base?—A. The idea was that if one base was behind hand the men who were through would be shifted to that base to help the work along.

Q. Was it the idea that the superintendent should look after the men?—A. Yes, he knew the men.

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Q. You consider that the employment of the superintendent was in the interests of the department?—A. I certainly do.

Q. And it worked out in that way?—A. Yes.

Q. And you got all work completed, which you intended to do, before the close of navigation?—A. Yes.

Q. And got away home?—A. Yes.

Q. And the results of the expedition were good, that is the expedition was a success, so far as getting the work done within the time was concerned?—A. Oh yes.

Q. You had a different experience the next year, had you not?—A. Yes, we lost a great deal of time the next year.

By an Hon. Member:

Q. Did you agree, as Chairman of this expedition, with Mr. MacMillan about the hiring of the superintendent or supervisor?—A. Yes, I think I did—yes I did.

By Mr. Ilsley:

Q. Now, Mr. McLean, I want to ask you about a vital clause in the contract. There is a clause in the contract which says you may before the close of the work order overtime to be worked. When did you start the men working overtime up there?—A. The 4th August, I think.

Q. That is the day that work started?—A. Yes.

Q. What do you mean by overtime?—A. You will understand that the days are long at that time; and sometimes we were able to carry on until half-past ten or eleven o'clock. As the season progresses the days get shorter.

Q. And when you could work, you did?—A. Yes, we did.

Q. And you worked overtime from the very beginning of the contract?—A. From the very beginning.

Q. Practically every day?—A. Well, when it got along later in the season, when the days got dark early, no.

Q. And did you work every Sunday?—A. I think we worked every Sunday.

Q. And there was a holiday in there?—A. Labour day included.

Q. And you worked that day?—A. Yes.

By Hon. Mr. Manion:

Q. Did the men protest against that?—A. No, I do not think it.

By Mr. Ilsley:

Q. The men were quite willing to work overtime?—A. Yes.

Q. Getting paid time and a half?—A. Yes.

Q. And they were paid on a datal rate?—A. They were paid on a datal rate.

Q. Do you know that Mr. MacMillan protested at one stage, it may have been after you got home, that you or someone in your employ, divulged the datal rate to the men and promised that they would be paid on the datal rate?—A. I know he made that statement.

Q. Now then, was there any lost time during the seventy-five day period?—A. Yes, along certain lines possibly.

Q. What do you mean by lost time?—A. For instance, we expected to establish a base at Lake Harbour, Baffin Land—that is on the North side of the Strait. We were told that there was an excellent site there. And we went there and examined the place, and we lost at least a couple of days trying to find the place, and there was no place there. We went away and crossed the Strait.

Q. Tell us, was that within the 75-day period or after?—A. Within the 75-day period, because there was a gang of men unloading there, left there, to make a move on to locate this other base, did not find it, and had to ship across to Walkem Bay.

Q. For the time that was spent on that trip to Baffin Island with the idea of locating a base there MacMillan got paid on the same basis, did he not as for the other days of the 75-day period?—A. Yes.

Q. Were there forty-six men up there exactly 75 days, between the day the Larch got there and the day the Larch sailed?—A. Yes.

Q. Then how many men went home?—A. Thirty-one.

Q. And how many stayed?—A. Thirteen.

Q. And how long did the thirteen stay there?—A. Well, they stayed till the 11th of November.

Q. Do you know the number of days it was that they stayed?—A. Yes.

Q. From the 19th of October to the 11th of November, was it?—A. October 18th I have.

Q. Now, it is that period during which the thirteen men stayed there that we have been referring to in this investigation as the extra period or extra time?—A. Yes.

Q. As distinguished from the overtime?—A. Yes.

Q. When you are speaking about overtime you are speaking about the overtime within the 75-day period?—A. Yes.

Q. The period within the 75-day period is the extra time?—A. Yes.

Q. What did the men stay there for? What did you stay there for with them?—A. We had certain work to finish up.

Q. You wanted to get the Larch back from the bases to Halifax as soon as possible, did you not?—A. We did.

Q. Why?—A. She was costing \$350 a day.

Q. Under charter?—A. Under charter.

Q. And you kept the number of men that you thought would be necessary to finish up the work before the close of navigation and sent the rest home, is that correct?—A. That is correct.

Q. I want you to follow carefully what I am saying, because I am only surmising. But I can gather that that is what you did?—A. That is what we did.

Q. That is, you had the work to get out, which you did and you got on board the Stanley, and back to civilization, did you?—A. Yes.

Q. For this extra period the men were paid on a cost plus basis, is that correct?—A. That is correct.

Q. What did you take as your cost?—A. The datal rate.

Q. The datal rate set out in the schedule to the contract?—A. Yes.

Q. Without making any inquiry as to what MacMillan actually paid, you took your cost as being the datal rate set out in the contract?—A. Yes.

Q. Did you consider that you were entitled to do that?—A. I did.

Q. You considered that, for your purpose, these datal rates set out in the schedule were the cost to the department?—A. Yes.

Q. And, therefore, you did not require the production of any vouchers for that extra period?—A. No, I did not think we did. I did not think of that at all.

Q. Now, I understand that there is no question about the accuracy of the time sheets, and so on, but just to get that clear, could there be any error in the time sheets, or in the amount of time worked? How many people were checking them?—A. The time was kept by our timekeepers; there was a time-keeper at each base. That time was checked by Moriarity, Mr. MacMillan's man.

Q. Who was Mr. Moriarity?—A. Mr. MacMillan's superintendent. That time was also checked by Mr. O'Malley, I mean the figuring; it was checked more or less by Mr. O'Malley, the Secretary of the expedition, and we agreed with Moriarity on the time.

Q. Yes. For the transportation period what rates were paid MacMillan?—A. The datal rates.

Q. And for the overtime what was paid MacMillan?—A. Time and one-half.

Q. Based on the datal rates?—A. Based on the datal rates.

Q. Datal rates were paid MacMillan for the transportation period without any 15 per cent?—A. Without any 15 per cent.

Q. And for the overtime, time and one-half based on the datal rates with 15 per cent?—A. Yes, with 15 per cent.

Q. There was some dispute about that?—A. Yes.

Q. And the finding you came to was that no 15 per cent should be paid on that overtime?—A. Yes.

Q. Do you know how much that 15 per cent on that overtime amounted to?—A. \$805.

Q. And some cents?—A. Yes, and some cents.

Q. You are quite clear that there was no 15 per cent paid on the wages during the transportation period at all?—A. Quite clear, absolutely certain.

Q. And did you require any vouchers for the amounts paid the men during the transportation period?—A. No.

Q. What was your reason for not requiring vouchers for that period? That was based upon the contract, was it not?—A. That was based upon the contract.

Q. Based upon a clause in the contract which specified exactly what you were to pay?—A. There were so many men and they could not get off the ship.

Q. They put in all their time, did they not?—A. Yes.

Q. Sundays included?—A. Sundays included.

Q. Taking no time off in the way of holidays? And you finally decided that on the true construction of the contract that wages during transportation period at so much a day included wages for Sundays as well as week days?

—A. Yes, sir.

Q. And you certified accordingly?—A. Yes.

Q. Now, you made a memorandum here which caused a great deal of trouble, if you will pardon my saying it, and I want to ask what was going through your mind when you made that memorandum. That is the memorandum at page 175; that memorandum bears date the 26th day of January, 1928. You have that memorandum before you?—A. Yes, I have it here.

Q. Now, regarding the first paragraph of the memorandum, the period October 18 to October 24 is correct, is it not?—A. It is correct, yes.

Q. And if it is proper under the contract to pay for Sundays there were seven days' wages due the men during that period, is that right?—A. Yes.

Q. Now, it is the next paragraph where you apparently made a mistake. You say:

With regard to the one submitted for the period "October 18 to November 18," this should read "October 29 to November 26."

What memorandum were you referring to with regard to the one submitted for the period October 18 to November 18? What is the meaning of the phrase "the one submitted."

Hon. Mr. MANION: Account, not memorandum.

Mr. ILSLEY: I think it is an account, if it could be found.

Hon. Mr. MANION: It says in the first paragraph, "with regard to the account" and in the second paragraph "with regard to the one submitted."

[Major N. B. McLean.]

Mr. ILSLEY: But I want to know where it is, which one it is. I have been unable to find it in the printed record myself.

By Mr. Ilsley:

Q. I am wondering what you had before you when you referred to the account submitted October 18 to November 18?

Mr. ERNST: If you look in the file, Mr. Ilsley, the one submitted by Mr. MacMillan bore the dates which were given in Mr. McLean's memorandum. The department penciled out that date. It is there at page 168.

Mr. ILSLEY: Well, now, that is an explanation.

By Mr. Ilsley:

Q. Do you know anything about that, Mr. McLean? Is it the account at the bottom of the page 168?—A. Well, this is October 18 to November 28.

Q. And you were referring one from October 18 to November 18?—A. Yes. That does not seem to be the one.

Q. Mr. Ernst suggests that it is the one, and that in the original it was October 18 to November 18.

Mr. ERNST: I beg your pardon, Mr. Ilsley. The alterations were made in the October dates, but not the November dates.

Mr. ILSLEY: Then the explanation does not explain, does it?

Mr. ERNST: No, I do not think so.

By Mr. Ilsley:

Q. Then look at that for a moment and see if you can make any explanation, and if there is any explanation let us know.—A. I do not know what that October 18 to November 18 means, but I follow on by saying this should read October 29 to November 26th.

Q. And where did you get those dates?—A. I know what I was getting at there, if you follow through. I then claimed that the construction period was from August 4 until October 28.

Q. Well, where did you get the date October 28th? The Larch had sailed ten days before that, namely October 18th?—A. October 28th was the date when the work was finally finished at Burwell.

Q. Well, that is your explanation of that date. What is your opinion now? Was that the proper basis upon which to make that memo.?—A. No, this memo. is completely wrong.

Q. And the statement in the next sentence, "The department is therefore responsible for the period October 29th to November 26th (the day the men arrived in Halifax), a total of twenty-nine days—less four Sundays—twenty-five days in all, and the account should be altered to read accordingly," is that correct?—A. No, that is not correct either.

Q. Then is it correct to say that that whole paragraph is in error from beginning to end?—A. It certainly is. I thought we had already made that clear.

Q. Well, perhaps we have. Apart from the question of construction by which you appear to be finding the number of week days, there are mistakes in dates?—A. There are mistakes in dates.

Q. And it was on that—I think we have already brought it out in evidence—that this memo. of Mr. Boyle's, dated February 9th, was made? Now, in Mr. MacMillan's account, on page 174, he includes some items for materials?—A. Yes.

Q. Were those in addition, or did they have anything to do with the erection contract, the contract for the erection of the buildings?—A. Would you like me to specify those items as I see them here?

[Major N. B. McLean.]

Q. Yes.—A. Well, there is an item September 23rd, extra material skidways, \$145.92. I asked for that extra material after I was up there, and it came up in another vessel that was coming up.

Mr. ERNST: Mr. Chairman, I do not know why we should take the time of the Committee over this, because no question has been raised about it.

Mr. ILSLEY: It will not take very long to clear it up.

Mr. ERNST: It is not relevant.

Mr. ILSLEY: Certainly a very wrong impression was given the last day, just by the very existence of those items in this.

Mr. BEAUBIEN: I think, Mr. Chairman, that that really substantiates what I brought up before the Committee to-day, that this should be cleared up, because Mr. MacMillan received a lot of money for extra material which, so far as I can find out, Major McLean wanted for this work.

The WITNESS: I asked for it after I arrived.

Mr. ILSLEY: I think if the witness will go over those items and tell us how they came into existence, as briefly as possible, I do not think we will be wasting time getting the information.

The CHAIRMAN: You will promise not to cross-examine, Mr. Ernst?

Mr. ERNST: I promise nothing, Mr. Chairman.

The WITNESS: The next item is, extra moving material, shed No. 22, \$525.48. I think probably Mr. Mattice can explain that better than I can, if you want to go further with it. It had nothing to do with the contract for the erection of buildings, absolutely none.

By Mr. Ilsley:

Q. What is the next one?—A. Extra painting bundles, that is the way it is expressed, \$5,307.05. These bundles were painted for the bases for which they were intended; you could pick them out anywhere. Then they were painted for the buildings that they were intended for and so on to facilitate matters.

By Mr. Beaubien:

Q. Can you give us any information in regard to the painting of those, or do some of the officials know better than you do?

By Mr. Ilsley:

Q. What are the others, Mr. McLean?—A. Merchandise supplied the department, \$106.80; merchandise supplied E. Dorey, cook, \$16.20; merchandise supplied A. S. Fuller, \$54.05. Mr. MacMillan had certain stores, shirts, odds and ends, cigarettes and tobacco, and these men got a certain amount of goods from him. They were charged to the department and the men were charged and we reimbursed Mr. MacMillan. It had absolutely nothing to do with the building contract, or any contract.

Q. Did you tell the Committee, this morning, what subjects were discussed at this conference, at which Mr. Johnston, Mr. MacMillan, Mr. Boyle and yourself were present?

By Mr. Duff:

Q. Before we go on with that, we might as well clear up this painting question. It is quite a large amount \$5,305. Can you tell us why it cost that much money, and if you asked for prices? What happened with regard to that?—A. Prices were asked for, and a price was submitted by Mr. MacMillan which I think was not confirmed by the Department. Anyhow his price was 50 cents a bundle.

[Major N. B. McLean.]

Q. Was he paid 50 cents a bundle?—A. He went ahead and did the work.

By the Chairman:

Q. I presume this painting was done in Halifax?—A. Yes, the painting was done in Halifax and he went ahead and found that he did it for less.

By Mr. Duff:

Q. How much less?—A. He charged us 35 cents a bundle.

Q. Instead of 50 cents?—A. Yes.

Q. Was there somebody else who made a larger offer for that work?—A. I was told so.

Q. What was the offer?—A. I was told that it was a dollar a bundle.

Mr. ERNST: I object to that.

Objection sustained.

By Mr. Duff:

Q. He did it for 35 cents a bundle after the Department had told him to go ahead and do it.—A. The Department did not tell him to go ahead, but he went ahead anyhow. I would say the Department was at fault, but he did the work for 35 cents a bundle.

Q. It had to be done?—A. Yes, and it was 15 cents a bundle less than he could have charged.

By Hon. Mr. Manion:

Q. Although the Department had not agreed to his 50 cents a bundle?—A. They had not confirmed that.

Mr. ERNST: He could charge them what the lawyers call "quantum meruit"—what it is worth.

The WITNESS: The work had to be done. It was absolutely essential. You can understand, that we would want to be able to pick out the bases and then the bundles.

By Mr. Ilsley:

Q. Coming back to my question: at the conference at which Mr. Johnston, Mr. MacMillan, Mr. Boyle and yourself were present, can you tell us what subjects were discussed?—A. I am not so clear on that, but I think the 15 per cent cost plus period. It would seem logical that the 15 per cent on the overtime was discussed. I know that the question of the painting of those bundles was discussed, because it stuck in my mind about those prices, and so on.

Q. Were there other things in relation to the materials—something about piling and lumber?—A. Yes, that was shifted material in the shed. I am not sure whether that came up or not; it may have.

Q. You think the question of the cost plus period was discussed—the days beyond the 75 day period.—A. I am not very clear, but I think so.

Q. In what way would that come up?—A. I am not very sure.

Q. There does not seem to be any question about that through the file, and that is the reason I ask you about it.—A. I am not very sure on that.

Q. The main question seems to be the 15 per cent on the overtime?—A. Yes.

Q. Do you know whether that was discussed or not?—A. I think it was.

Q. Now, my learned friend put it to you that you must have discussed this question of whether 75 days meant 75 calendar days or 75 working days. What is your answer to that?—A. No, that was not discussed at that conference, I am quite sure, because I am sure that we had arrived at that conclusion of 75 consecutive days previous to that.

[Major N. B. McLean.]

Q. I think you said that before the conference about which we have been speaking, Mr. MacMillan was speaking to you and Mr. Boyle, or some of you, before the conference at which you might have talked that question over. Did you say that? That is what I took from what you said this morning.—A. No, I think the 75 days was settled before Mr. MacMillan showed in Ottawa at all. That is my recollection, as closely as I can put it.

Q. Because he uses this language in his letter after the conference, "There seemed to be a difference of opinion with respect to the 75 day period. However, my interpretation of that clause is the time elapsed for the completion of the work was to be 75 days from the date the work was started—75 days actual elapsed time", and Mr. Ernst was suggesting that it might have taken place at the conference. Do you understand me?—A. Yes, but I think that was cleared up before Mr. MacMillan came. Probably it was spoken of and hashed backward and forward.

Q. It may have been referring to some conversation he had while he was at Ottawa some time or other?—A. That is what I mean.

Q. There had been a dispute between you before that?—A. Yes.

By Mr. Beaubien:

Q. There was always a dispute until it was finally settled—until the final payment?—A. There was, because I took a wrong view at the first go-off.

Q. Were you going on the same principle that Mr. Boyle said he was going on, and Mr. Steeves said he was going on, not to admit anything until you had to?—A. Most assuredly; I am Scotch myself to some extent.

By Mr. Ernst:

Q. You told Mr. Ilsley that lost time during the time you were at the Straits was paid to MacMillan at the datal rates—days which were actually lost during the construction period of 75 days?—A. Did I say that?

Q. That is what I understood you to say when being examined by Mr. Ilsley.—A. If I said that, I was wrong.

Mr. ILSLEY: You did not say that.

By Mr. Ernst:

Q. Were any days lost to MacMillan's men?—A. Yes, certainly.

Q. How many?—A. I cannot say offhand, but certainly two days at Lake Harbour, but that was during the 75 day period, and he was paid \$29,000 for that period.

Q. No extras for those two days?—A. Oh, no.

Q. Any other days you can mention?—A. Yes, after the work was finished at Burwell.

Q. Before or after the 75 day period?—A. After the 75 day period.

Q. Those would be included in the days for which he was paid?—A. Yes, those would be included in the cost plus period.

Q. How many men lost time at the first place to which you referred?—A. I forget how many men were left at Nottingham Island.

Q. Any recollection, approximately?—A. Well, say 15 were left—I am not just sure of that. It would be the balance of the men who would lose those two days.

Q. Did I understand you to say to Mr. Ilsley that the basis on which you paid Sunday wages on board ship was that the men were on board ship and could not get off, and consequently were entitled to wages?—A. Not necessarily. It says that they were to be paid during transportation. Sunday was during transportation.

Q. And you take it that it was the same as a working day for that reason—that they were on the ship?—A. They were on the ship, and had to be paid during transportation.

Q. And not being able to get off they were entitled to be paid for that work? Was that not the logic of your reason?—A. No, they were being transported during those Sundays.

Q. And you decided that straight time would be paid, including Sundays, because of the fact that they were on board ship?—A. They were on board ship; you cannot get away from that.

Q. They worked as much on Sunday as any other day?—A. Yes, you could say that; sometimes they even went to church on Sunday.

Q. And consequently wages should be paid for Sundays as well as any other day aboard ship?—A. It was during the transportation period and the contract said that they were to be paid.

Q. And the Sundays coming in the transportation period were the same as all other days?—A. Yes.

Q. And the men should be paid for it?—A. Yes.

By the Chairman:

Q. That was your interpretation of it?—A. That was my interpretation of it.

By Mr. Duff:

Q. Major McLean, you told us that the Larch had about 5,500 tons of cargo. How much of that cargo was landed at the three different points on Hudson Straits?—A. We were long on steam coal. I forget how many tons, but there was quite a lot of steam coal came back.

Q. You landed a great deal of material from the Larch?—A. All the material was landed.

Q. Did you take stevedores up to unload this material?—A. Well, there were MacMillan's men.

Q. MacMillan's men did the unloading?—A. Yes.

Q. The stevedoring and the unloading?—A. Yes, there were six or seven of his men.

Q. If Mr. MacMillan's men had not done that stevedoring at the different bases and the unloading, the work would have been completed more quickly with the result that you would not have had to pay so much overtime, in view of the fact that they had to do that work, to increase the cost of the labour?—A. They would have had the services of these men on shore, if you like.

Q. Did you discharge anything from the Stanley?—A. Not much.

Q. Some?—A. Very little; it was mainly their own.

Q. Did they help with that?—A. No, that would be done by the crew of the Stanley.

Q. Did they do any work on the Canadian Raider?—A. Oh yes.

Q. What did they do there?—A. They assisted in getting her as ship-shape as possible.

Q. And Mr. MacMillan's men were there to help?—A. That was really after—

Q. This was after the 75 day period had elapsed?—A. Yes. And it was also after the cost plus was finished; the men were not back, but the work was finished.

Q. Was it done whilst those 13 men were up there, between the time the Larch left and the Stanley left?—A. Yes.

Q. So that the work they did in connection with the Canadian Raider would be included in D-1633 extra time after completion of the 75 day contract period, 13 men—\$2,076?—A. Yes, it would be included in that period.

[Major N. B. McLean.]

Q. Now then, on page 192 there are three statements. The first statement is for \$1,557, which includes a superintendent?—A. Yes.

Q. That is the gentleman who was spoken of this morning as being outside the three foremen?—A. Yes.

Q. In the next statement, October 18th to November 10th, is the time for the 13 men who were helping to save the Raider, putting her in shape for the winter so that she would not be left there full of water?—A. Yes.

Q. And the superintendent also helped during that period?—A. Yes.

Q. I notice that there is 15 per cent added to that \$2,076, amounting to \$311.40?—A. Yes.

Q. And you append a certificate, "I hereby certify that the work has been performed, the goods have been received, and the prices are fair and just."—A. Yes.

Q. That would include the \$311.40?—A. Yes.

Q. In other words, after going into the matter, you felt that the country should pay the superintendent and also the 15 per cent amounting to \$331.40?—A. We had to pay the 15 per cent.

Q. Now, the next is for \$5,370.52, plus 15 per cent, amounting to \$805.58. That is 15 per cent on the overtime?—A. Yes.

Q. You also certify to that, "I hereby certify that the work has been performed, the goods have been received, and the prices are fair and just."—A. Yes.

Q. In the third statement there appears to be two 15 per cents, 15 per cent of the overtime wages paid to men employed at Hudson Straits, \$5,254.25, and then there are two small amounts added making a total of \$5,370.52, on which there is another 15 per cent added. Why was that? Oh, I think here is the explanation. It is a mistake in printing. It is not the overtime wages 15 per cent at all.

Hon. Mr. RYCKMAN: I think that is it.

By Mr. Duff:

Q. It is a mistake in the statement on page 192—wrongly worded.—A. The \$805.58 is the 15 per cent on the overtime wages.

By Mr. Beaubien:

Q. \$5,254.25 is overtime wages?—A. Yes.

By Mr. Duff:

Q. So that there is only one 15 per cent appearing, instead of two, as appears in this statement?—A. Yes.

Q. You also give a certificate as the gentleman in charge of the expedition being acquainted with all the circumstances and all the dangers and the risks—you gave a certificate in which you say that the goods were received and the prices were fair and just, and which included the 15 per cent?—A. Yes.

Q. That was your opinion as the gentleman in charge of the expedition?—A. Yes.

Mr. ERNST: The word "cost" covers a great variety of uses.

By Mr. Duff:

Q. By the fact that you as the man in charge of the whole expedition on arrival there decided to put the men to work immediately at overtime and also after the 75 day period there was extra overtime, both with regard to your own work and the saving of the Canadian Raider, do you say that all the amounts which were finally agreed upon to be paid to Mr. MacMillan were fair and right?—A. I do.

By Mr. Ernst:

Q. Mr. Duff asked you some questions about Mr. MacMillan's men helping to unload the boats. That question was submitted to you by the Department, was it not—the question of Mr. MacMillan being entitled to compensation for his men unloading the Larch?—A. No, I do not think that was ever claimed.

Q. Will you turn to the printed report, a memorandum prepared by you, which appears on page 186, and refresh your memory from your memorandum to the Chief Accountant?—A. Yes.

Q. Account amounting to \$2,656 for time of men employed aboard SS. Larch at Hudson Strait between August 4 and October 18;

The schedule attached to the contract reads as follows:

(1) Assist as directed, by the Officer-in-charge, in the unloading, landing and transporting of material for the said buildings, etc., in so far as it does not interfere with progress of construction of the buildings.

These men did this work under my direction as stipulated in the contract but I would point out that some of them at least assisted in the construction of the buildings at the different bases.

I would also point out that the contractor was paid the full amount of the contract price, plus overtime for Sundays, and the fact that these men were more or less engaged in unloading operations it did not interfere with construction work, I am not prepared to certify this account for payment.

If the contractor insists on the payment of this account, the Department should put in a counter-claim for the time of the riggers erecting the derricks at the various bases as paragraph 5 of the schedule reads as follows:

"To set up all derricks (6), put in all concrete foundations, etc."

A. I understood you to ask me whether these men assisted with the Raider and put in a claim.

Q. I mentioned the Larch. You did not and do not say that he was entitled to compensation for that?—A. For what?

Q. For work done on the Larch between August 4 and October 14?—A. No, and I do not think he got it.

Q. You considered the work that your men did in putting up the derricks and putting in the concrete foundations counterbalances that?—A. Yes, more or less.

Mr. DUFF: Mr. Chairman, in my question, I did not mean to infer that Mr. MacMillan was entitled to anything extra for work his men did in unloading the Larch, but what I tried to bring out was the fact that as they were engaged in that work it was necessary constantly that overtime should be worked both during that time and afterwards. This also applied to the time that they helped the captain and crew of the boat. If that had not been necessary there would not have been as much overtime required. Mr. Ernst is quite right that any work which Mr. MacMillan did in the way of stevedoring was covered by the contract.

Mr. ERNST: And any work which the department's men did was to counterbalance that.

Mr. DUFF: The department did not have any other men there.

Mr. ERNST: There were riggers.

The witness retired.

The CHAIRMAN: Any other witness?

Mr. ERNST: I suppose there is Mr. MacMillan.

[Major N. B. McLean.]

ALEXANDER STIRLING MACMILLAN called and sworn.

By Mr. Ernst:

Q. Mr. MacMillan, you have been here, of course, during the whole evidence taken in respect to this labour contract at Hudson Strait. The first question I desire to ask you is how did you engage your men who went to Hudson Strait, and on what basis?—A. I engaged them on a monthly basis.

Q. You had different classes of men, one superintendent and three foremen. Can you give the Committee the name of the superintendent and the names of the foremen?—A. I would like to qualify that first answer. The foremen and the superintendent were engaged and paid on the daily rate.

Q. That brings me to something else, Mr. MacMillan. I am in receipt of information to the effect that the foremen, or at least one of them, was paid at the monthly rate of \$200 per month.—A. That is not correct.

Q. I will put it more definitely. Was Mr. F. C. Campbell, who was one of your foremen, employed at a daily rate of \$8 per day, or at a rate of \$200 per month?—A. I have not the information by me but my recollection is that he was paid at the rate of \$8 per day.

Q. Have you got your time-sheets with you, or any vouchers in connection with this matter?—A. No, I have not.

Q. Did you not receive a summons or a telegram from the secretary of this Committee to bring with you all documents relating to the contract in question?—A. The department can furnish the vouchers with respect to the overtime, the additional time, and the going and the coming.

Mr. ERNST: I wonder, Mr. Chairman, if the secretary of the Committee or the clerk will produce the telegram which he sent to Mr. MacMillan?

The WITNESS: Further answering that question, the balance of the work was carried on under a lump sum contract.

Mr. ERNST: Just one moment. I would like to have the telegrams, if I may have them produced.

There are two telegrams. You received two telegrams from the clerk of the Committee, Mr. MacMillan?—A. Yes.

Q. The first of these telegrams is dated Ottawa, April 10th, 1929:

A. S. MACMILLAN, M.P.P.,
Halifax, N.S.

Public Accounts Committee now discussing your first Bedford Basin contract Stop Your presence asked for by Committee Stop Next sitting Wednesday 17th instant Stop Will it be convenient for you to attend and bring books accounts and vouchers? Please advise (collect).

E. L. MORRIS,
Clerk of Committee, House of Commons.

In reply to that is a telegram dated Halifax, April 14:—

Impossible for me attend Ottawa until legislature prorogues. Believe may be able attend around May first Will advise later definite date.

A. S. MACMILLAN.

Then there is one dated April 29th.

Mr. DUFF: That first telegram refers to the Bedford Basin contract.

Mr. ERNST: I am reading them in sequence, so that it will be understood. This telegram, dated Halifax, N.S., April 29th, is addressed to E. L. Morris:—

[Mr. A. S. MacMillan (Halifax).]

E. L. MORRIS,
Clerk Public Accounts Committee,
House of Commons, Ottawa, Ont.

Advise what day next week will be satisfactory my attendance before Committee.

A. S. MACMILLAN.

Then on Wednesday, May 1st, 1929, I find a telegram addressed to A. S. MacMillan, M.P.P., Halifax, N.S.:—

Telegram received Stop Committee met today Stop Request your attendance Tuesday, May seventh eleven a.m. and remain for examination of contracts Hudson Bay and Bedford Basin Stop Please bring all accounts, vouchers, papers, etc. in connection therewith.

E. L. MORRIS,
Clerk Public Accounts Committee,
House of Commons, Ottawa.

Until those are here, I do not think the Committee has any right to proceed with the examination.

An Hon. MEMBER: What is the date of that wire?

Mr. ERNST: May 1st. I do not propose hearing any evidence which we have no chance to check.

The WITNESS: There is no request for books there.

Mr. ERNST: It says: Please bring all accounts, vouchers, papers, etc., in connection therewith—that is plain enough. That shows the folly of bringing a man here without a summons. I do not intend to go on with the examination without the statements, etc.

Mr. ILSLEY: What does my hon. friend want?

Mr. ERNST: I want to know if he has official papers for payments to his men, his cheques issued, and his time book, showing everything under the contract during the time they were at Hudson Strait.

Mr. DUFF: We have nothing to do with that. It was a lump sum contract and he could pay his men whatever he liked.

The CHAIRMAN: I would think that all the papers and documents in connection with this matter should be before the Committee.

Mr. ILSLEY: Let us get straight what my friend and the members of the Committee want. To begin with, do they want books kept by the witness himself, or by others in his employ? It may be that the witness does not have knowledge of these things except from entries that other persons have made. If that is the case, does the Committee want the person who made the entries? I understand it to be a principle of evidence that the man who made the entries is the only man who can testify as to the correctness of the entries.

Mr. GARLAND (*Bow River*): Surely my friend does not contend that, as a lawyer.

Mr. ERNST: We have here a definite telegram to Mr. MacMillan which apparently has not been obeyed, or the request has not been complied with.

The CHAIRMAN: I think Mr. MacMillan is bound to produce here any documents in any way relating to the contract.

Mr. GARLAND: And his books of account.

Mr. ILSLEY: Does my friend say that ordinary books of account are evidence?

[Mr. A. S. MacMillan (Halifax).]

The CHAIRMAN: If he has them under his control I think he ought to produce them.

Mr. ILSLEY: I would like to ask this witness as to whether he knows of this transaction from the beginning.

Mr. ERNST: I was hoping that those books and accounts could be produced and that some time would be given before the Committee sat again, which probably would shorten the matter. I do not see how any useful purpose can be served by this Committee until those things are forthcoming.

The CHAIRMAN: I am pretty sure that if Mr. MacMillan has these things in his possession they will be produced.

The WITNESS: I have the files here in connection with the work. Everything that is on the files is here.

By Mr. Ernst:

Q. What do you mean by the files?—A. The files from the office and also the files and correspondence in reference to the two contracts, because they were not kept separate on my files. I have all the correspondence on my files, and I have—

By Mr. Duff:

Q. Have you the amounts you paid your men?—A. Yes, the total amounts.

Mr. ERNST: I want the originals and the cheques or vouchers.

The WITNESS: There are no cheques. Their families were paid under arrangement, by my book-keeper.

Mr. ERNST: I think the books should be here showing what they were paid and when they were paid.

Mr. ILSLEY: I am afraid if we get these books here and Mr. MacMillan has not personal knowledge of them, we will be met with a request to send for the men who had charge of them.

Mr. ERNST: Let the book-keeper leave to-morrow morning and bring them up.

By Mr. Ilsley:

Q. Supposing you had your books here and you looked up about these payments, would you be in a position, by personal knowledge about them, if you were asked to explain why this or that payment was made, or why this or that credit was made, to answer?—A. No, I would not.

Mr. RYCKMAN: I say he has a record of his business, and no matter who made the entries we are entitled to see those books and vouchers, and anyone who contends to the contrary is showing he does not know anything about it.

Mr. DUFF: Nobody is contending to the contrary.

Mr. RYCKMAN: These gentlemen have been saying that we have to call the person who made the entries.

Mr. ILSLEY: No, but while we are getting the books we might as well get the persons who made the entries and has knowledge of them, so that we cannot be met with the statement that Mr. MacMillan does not know of them of his own knowledge. Let us get the person who kept the books, who will have knowledge of them.

And I want to find out if Mr. MacMillan was not asked to produce the books.

Mr. ERNST: He was asked to bring vouchers, and he brings the correspondence with him.

The CHAIRMAN: Mr. MacMillan has asked to make a statement, and perhaps it may be helpful to the Committee. What is it, Mr. MacMillan?

The WITNESS: I may say in the first instance, that I had no idea that so far as the lump sum contract was concerned, anyone wished to inquire into it for any reason whatsoever; and with respect to the other work, under the contract, all the time sheets of every kind and description, are available in the department, because their time-keeper kept all the time and not mine; because my time-keeper would be at one base and the work was going on at the other bases, and he would have no knowledge of it. And therefore the departmental time sheets are the ones which governed.

Mr. RYCKMAN: That shows what the department keeps. We want to know what the witness did.

Mr. ILSLEY: There it goes again.

Mr. GARLAND: The only person who interrupts is Mr. Ilsley.

Mr. ILSLEY: The only thing I interrupt are unfair questions and statements.

The WITNESS: The departmental time sheets show everything outside of the lump sum contract. I had never any idea that the private books of any contractor should be made public. This is the first time I ever heard at all of it. For that reason I did not think it necessary to bring any books. I may say further to this Committee that I have nothing to hide and I am quite willing to give the fullest replies to any questions asked me, if I have knowledge of the facts.

By Mr. Duff:

Q. You can give us all the information with regard to the contract without the books?—A. Yes, I can.

Q. As to the 75 day contract?—A. Yes, I think I can.

Mr. ERNST: I have asked one question in which my information is decidedly different from Mr. MacMillan's evidence. I want the cheques.

The WITNESS: There are no cheques.

By Mr. Garland:

Q. Mr. MacMillan, in the ordinary course of your business, do you keep books in which you make entry of the wages of your employees, the persons to whom the money is paid, the time for which it is paid, and the rate of wages at which they are paid?—A. In Nova Scotia we are obliged to do it, whether we want to or not.

Q. You do keep such a set of books?—A. Yes, I do.

Q. And those books are not available here?—A. No. And these entries would not be in my regular time books.

Q. I am speaking for the ordinary books for the purpose of your business. Now am I to understand from the statement you have just made that there are not entered in your regular books or ordinary books of your business relating to this particular contract and extras or whatever you want to call it for the Hudson Bay, which entries will show the names of your men, the amounts they were paid, the rate at which they were paid, and when they were paid?—A. I would say that in this particular case the time sheets would show the time as forwarded by the departmental time-keeper corroborated by my time-keeper, the totals for which would be entered in the general ledger. I am not sure, and I would have very grave doubts as to whether these time sheets were ever incorporated in our regular time book.

Q. Leaving aside the time sheets, when payments are made out in your business in cash, is it entered in the cash book?—A. Yes.

[Mr. A. S. MacMillan (Halifax).]

Q. When payments are made by cheque, is it also entered in the cash book?—A. I presume it is.

Q. Therefore your cash book would show payments either by cash or by cheque to any man on this particular job?—A. I may say that I am never close to that end of my business. I depend entirely upon the office staff for such matters, except when matters are placed before me. My recollection is that there are individual accounts for each one employed up there. That is my recollection.

Mr. GARLAND: Those are the books that I, as one member of the Committee would like to have produced.

Mr. ERNST: And also the receipts, if such were taken—all vouchers.

An Hon. MEMBER: Could you not go on, Mr. Ernst?

Mr. ERNST: No, I could not. I think it is impracticable. I think it is almost an insult to the Committee, when Mr. MacMillan does not produce the books which were called for.

Mr. ILSLEY: I think that is a saucy and improper statement—

Mr. ERNST: If my honourable friend will allow me to complete my argument in connection with it. Had we summoned Mr. MacMillan in the ordinary course, and had he not brought the documents asked for he would have been guilty of a contempt of this Committee. Instead of that we extended to him the courtesy of asking him to come here by telegram, as a courtesy to him; and he has disobeyed that courtesy and is guilty of what is tantamount to contempt of this Committee.

An Hon. MEMBER: I think that should be withdrawn.

Mr. ILSLEY: Mr. MacMillan has given one explanation by saying that he did not understand that his private books were to be opened to this Committee. And for any man to make such a statement as the hon. member has made is wrong.

The CHAIRMAN: I think if the books are not here it is due to an oversight on the part of Mr. MacMillan, and they will be here in due course. There is no use getting wrought up about it; the incident is closed.

Mr. ERNST: I wonder if Mr. MacMillan could tell us when he will have them here?

The CHAIRMAN: Do you think Friday would do, Mr. MacMillan?

The WITNESS: If I could get them here, Mr. Chairman.

The CHAIRMAN: It is cutting it pretty fine.

The WITNESS: If Mr. Ernst will state what he wants from these books perhaps I can explain to the Committee.

The CHAIRMAN: For your interest, and the convenience of the Committee, you ought to bring everything you have dealing with this matter. If you have one sheet missing you will excite Mr. Ernst's curiosity.

Mr. ERNST: The Committee's.

The CHAIRMAN: It is well to have everything here for which they have asked.

Hon. Mr. RYCKMAN: In any way relating to this.

The WITNESS: That is, may I understand relating to—

The CHAIRMAN: To the Bedford Basin and the Hudson Strait.

The WITNESS: And the lump sum contracts regardless whether there is overtime or extras?

The CHAIRMAN: Yes, everything.

[Mr. A. S. MacMillan (Halifax).]

Mr. LAWSON: Might I also suggest, Mr. Chairman, that you, as Chairman of the Committee, confer with Mr. MacMillan, so as to arrange to also bring here the witnesses who may be necessary, since some hon. friends feel that an entry cannot be proved from a business book?

Mr. THORSON: We just want to safeguard in every possible way.

Mr. ERNST: At the same time, I would move that the Committee bring here one of the foremen, Mr. F. C. Campbell.

The CHAIRMAN: I suppose he can be obtained in Halifax?

Mr. ERNST: I am quite sure that he can.

The CHAIRMAN: Is he in your employ?

The WITNESS: No, he is not.

Mr. THORSON: How long is it since he was in Mr. MacMillan's employ.

The CHAIRMAN: Mr. MacMillan is under no obligation to bring him.

Mr. ERNST: I am moving that he be summoned to attend before this Committee.

By Mr. Ilsley:

Q. Who is the man who knows about the entries in the books? Who made the entries in the books? Who knows about the payments to the men?—A. At the time the contract was made, I think the entries, if any, would be made by a lady book-keeper I had at that time, Miss McEachern. I am not sure just when she left me.

Mr. LAWSON: Cannot the Chairman follow my suggestion?

Mr. BOTHWELL: I think, Mr. Chairman, you had better have it direct from the Committee. It should be settled by the Committee and not left to the Chairman to decide.

By Mr. Ilsley:

Q. You say that Miss McEachern was your book-keeper at that time?—

A. I am not sure. She left me in the spring of 1927, and for a short time I was without a regular book-keeper.

Q. Who is your present book-keeper?—A. E. J. Walker.

Q. There are a few letters appearing in the file, signed by Walker, are there not, and telegrams, signed by Walker?—A. Yes, sir.

Q. Was he in touch with this transaction for a greater part of the period?—A. Yes, he would be, after the date I installed him in my office. He would be familiar from that date on. I am not positive as to that date, however.

Q. Was it in the summer of 1927?—A. It was in the spring. He was in my employ previous to that in another capacity, but my book-keeper left me and I transferred him temporarily, and I have kept him on ever since.

Q. The greater part of the time then payments were made by him; throughout the spring and fall of 1927 the payments were made by Mr. Walker?—A. Yes.

Q. What is his name?—A. E. J. are his initials.

Q. Well, did you keep in personal touch with those payments to those men?—A. No.

Q. You were engaged in other business?—A. Well, I am never very close to my office, naturally, because my business takes me all over the province.

Q. Would you say that if we had Mr. Walker here with the books that he would give the Committee the information that they require?—A. I think that he would give them all the information that they require.

Mr. ILSLEY: I would suggest that we bring Mr. Walker here.

[Mr. A. S. MacMillan (Halifax).]

By Hon. Mr. Ryckman:

Q. There are none of the records that are lost?—A. I would think not.

By the Chairman:

Q. All the entries of importance, such as vouchers, time sheets, and cheques, if any, are still available?—A. I am not sure about the time sheets. I would not be very sure, because we moved our office last July.

By Hon. Mr. Manion:

Q. As far as that goes, the department have those?—A. Yes, the time sheets can all be worked out here from the departmental time sheets, no question about that.

By Mr. Ilsley:

Q. The question, as I understand it, is about the payments, how much the men were paid?—A. If the Committee wants to know I am quite willing to give it now, and bring the books here afterwards.

The CHAIRMAN: When shall we meet again, gentlemen?

By Mr. Thorson:

Q. In addition to what you said you already had here, what else have you? You mentioned a pile of correspondence?—A. I have a file of invoices here covering the materials, purchases of goods forwarded to these men, and goods purchased in connection with the other contract. I have the file of invoices here as well as the file of correspondence.

Q. Have you a full record of the necessary documents with regard to the Bedford Basin contract?

The CHAIRMAN: He will bring everything he has; he cannot do anything more than that.

By the Chairman:

Q. Have you the Bedford Basin papers here?—A. I have some of them. I may say for the information of the Committee, that I am new at this thing, and I consulted two men who have been witnesses before this Committee on other occasions, with respect to what I should bring along, and they advised me that there was no necessity to bring books. They had been witnesses here on cases a great deal larger than this.

By Mr. Duff:

Q. I suppose there would be other matters in your books as well as those two particular contracts?—A. Yes.

Q. And we will have a chance to go over your books and see all your business?

Mr. LAWSON: The Committee will certainly protect him in a matter of that kind, Mr. Chairman.

Mr. BEAUBIEN: We have still Wednesday, Thursday and Friday left. If Mr. MacMillan has the documents relating the Bedford Basin, cannot we go on with that?

Mr. ERNST: He says he only has a portion of those.

Mr. THORSON: Why cannot we proceed with Mr. MacMillan as far as we can go, or else go on with some of the other things on the Order Paper?

Mr. BEAUBIEN: We are getting through the session, and we hope to prorogue by the first of June. The business of the Committee is certainly being blocked if we cannot go on.

[Mr. A. S. MacMillan (Halifax).]

Mr. ERNST: I am not prepared to go on with any of the others.

The CHAIRMAN: If Mr. Ernst is not prepared to go on—and he says so—we cannot force him on. He is the investigator here.

Hon. Mr. MANION: It was decided by the Committee to go on with this, and it was decided that Mr. MacMillan should bring all books and documents, and Mr. MacMillan did not bring all books and documents.

Mr. THORSON: If Mr. MacMillan had been called last Tuesday, we could have had all this.

Mr. DUFF: If Mr. Ernst is not ready to go on with the Bedford Basin, and Cragg and Isnor and other, then I will ask to go on.

The CHAIRMAN: You want to investigate them?

Mr. DUFF: Yes.

Mr. ERNST: I am quite willing, but I do not see how you can go on.

Mr. DUFF: My line of inquiry may be different from yours. I move that we go on with the others. If Mr. Ernst does not want to go on with Cragg Brothers, or Isnor, let him say so. These men conduct respectable businesses in the city of Halifax. If Mr. Ernst knows anything with regard to those contracts, or has any suspicion that there is anything wrong then it is quite right for this matter to lay over from day to day; but this matter has been broadcast all over the country, and it seems to me that if he has not anything he should say so and drop them.

Mr. ERNST: I will undertake to do that at the next meeting of the Public Accounts Committee. I will have had time in the interval to examine the files.

Mr. THORSON: You have had plenty of time.

Mr. ERNST: I do not know how my friend, Mr. Ilsley, got his information, but I know my information took up a great deal of my time.

Mr. DUFF: Mr. Ernst put these items on the Order Paper and asked for the files and he cannot come and say now that he did not know anything about it but deliberately put those items on the Order Paper without having anything against those men. If that has been done I say it is not fair to those respectable business men in the city of Halifax.

Mr. ERNST: That is a ridiculous attitude to take, because any member is entitled to ask for the production of vouchers in any way, and he cannot know; he may have heard rumors of all kinds. He cannot investigate and satisfy himself on the point until he examines the files. For instance, I have already dropped six matters after an examination of the files, and as soon as I have had an opportunity to examine the files in those cases I will state at the next meeting of the Committee what will be done with them.

Mr. THORSON: Those files have been before the Committee for three weeks now.

Mr. Ross (*Kingston*): Is it a matter that should excite suspicion for a member to ask to see certain accounts? I have asked for papers, vouchers, and so forth, with regard to my constituency, with the statement that I knew nothing but as a member I believed it was to my interest to know what was going on.

The CHAIRMAN: To what day will we adjourn?

Mr. THORSON: Is it possible to make some effort toward cleaning up the Order Paper that is before this Committee, leaving the contracts in which Mr. MacMillan is interested until the books have arrived, along with the necessary witnesses from Halifax? Could we not make some progress by going into the other accounts and finally disposing of them?

The CHAIRMAN: We could not possibly have the books here on Thursday.

[Mr. A. S. MacMillan (Halifax).]

By Mr. Duff:

Q. It will take quite a while for your men to get all the vouchers and cheques, if there are any, and statements; the books are only one item?—

A. The middle of the month is a very difficult time for me to take my time-keeper away, because we pay on the 16th or 17th, and it is very necessary that he should be at home on those dates, due to the fact that I am away myself. We have heavy payrolls, and all these things have got to be looked after.

Mr. ERNST: The books can be sent.

The CHAIRMAN: The Committee desire to have Mr. Walker here.

Mr. ERNST: That was Mr. Ilesley's idea.

The WITNESS: I would think it would be wise to have him here. There might be an item in the books that I could not explain, and then you would be in the same position.

Mr. DUFF: Would Monday be all right to have him here?

Mr. ILESLEY: Would it be possible in the meantime to adjourn this Committee until Thursday to take up other matters in which Mr. MacMillan is not interested, so that we can clear up the Order Paper as rapidly as possible?

The CHAIRMAN: Will you be ready to say on Thursday whether you are ready to go on with Cragg Brothers and Isnor?

Mr. ERNST: As soon as I have had an opportunity, Mr. Chairman, to examine the files. If we meet on Thursday afternoon I can then tell you.

The CHAIRMAN: Why not Thursday morning? The House is sitting and some of us would like to be in the Chamber. If we are only having one session on Thursday, why not have it in the morning?

Mr. ERNST: To-morrow morning is the only day I will have a chance to examine those files.

Mr. DUFF: I move that Mr. Walker be brought here to appear before the Committee on Tuesday next.

Motion agreed to.

The witness retired.

The Committee adjourned to meet on Thursday, the 16th May, at 4 p.m.

Public Accounts 1929

SESSION 1929
(HOUSE OF COMMONS)

SELECT STANDING COMMITTEE

ON

Public Accounts

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9—THURSDAY, MAY 16, 1929
TUESDAY, MAY 21, 1929

WITNESSES:

Mr. A. S. MacMillan, M.P.P., Contractor, Halifax, N.S.

Mr. E. J. Walker, Bookkeeper, Halifax, N.S.

MINUTES OF PROCEEDINGS

COMMITTEE ROOM 425,
HOUSE OF COMMONS,
THURSDAY, May 16, 1929.

The Committee met at 4 o'clock p.m., Mr. Jacobs, the Chairman, presiding.

Members of the Committee present: Messieurs: Arthurs, Beaubien, Bettez, Bothwell, Casselman, Duff, Ernst, Ilsley, Jacobs, Laflamme, Lapierre, Manion, McGibbon, Smith (Stormont) and Telford.

In attendance: officials of the Department of Marine and Fisheries.

The Chairman declared the meeting open, and asked Mr. Ernst if he had any statement to make.

Mr. Ernst said he had promised to report as to whether he wished to proceed with some of the other items on the order paper, and he had decided that he would not proceed further with the items relating to Cragg Brothers, G. B. Isnor and the S. Cunard & Company, and that these could be struck from the order paper.

The Chairman asked if there was any further business.

Mr. Duff stated that before the meeting adjourned he wished to make a motion. He accordingly moved:

That B. M. Myers, Strand Hotel, Sackville street, Halifax, be summoned by telegraph to appear before the Committee on Tuesday morning, and that he be instructed to bring all his books, accounts, cheques, vouchers, receipts, correspondence and any other matter relating to the Hudson Bay Expedition.

Motion agreed to.

The Committee adjourned to meet on Tuesday, May 21st, at 11 o'clock a.m., and at 4 o'clock p.m.

TUESDAY, May 21, 1929.

MORNING SITTING

The Committee met at 11 o'clock, Mr. Jacobs, the Chairman, presiding.

Members of the Committee present:. Messieurs Arthurs, Bell (*Hamilton West*), Bothwell, Cowan, Ernst, Fraser, Guerin, Ilsley, Jacobs, Laflamme, Lapierre, Lovie, Manion, McDiarmid, Power, Ross (*Kingston City*), Ryckman, Smoke, Taylor, Telford and Tobin.—21.

In Attendance: Mr. A. S. MacMillan, Halifax; Mr. E. J. Walker, Halifax; Mr. B. M. Myers, Halifax; Mr. F. C. Campbell, Halifax. Also, Major N. B. McLean, Asst. Chief Engineer; Mr. A. Boyle, Chief Accountant, and other officials of the Department of Marine and Fisheries.

The Chairman declared the meeting open.

On motion of Mr. Ilsley it was ordered:

That Mr. Denis Moriarity of Halifax, formerly superintendent for Mr. MacMillan on the Hudson Bay Expedition, be summoned to appear before the Committee, and to bring with him all documents and papers in connection with such expedition, including the log and the diary, by Thursday, May 23, if possible.

Hudson Bay Expedition contract taken up.

Mr. A. S. MacMillan recalled, and Mr. Ernst proceeded with examination. It was found necessary to have Mr. E. J. Walker put on the stand in order to explain matters in connection with the bookkeeping, Mr. Walker being Mr. MacMillan's bookkeeper.

Mr. Walker called and sworn and examined by Mr. Ernst. Some of the books and documents required had been left at the hotel, and the Committee agreed to allow Mr. Walker to go and bring all additional papers left there.

Mr. MacMillan further examined by Mr. Ernst; by Mr. Ilsley; by Mr. Bothwell, Mr. Power, Mr. Cowan, Mr. Bell and others.

On return of bookkeeper the following were filed with the Committee:

Contracts with men, marked A to I—(9); Equipment Vouchers, marked J-X—(38); Balance Sheets, marked K-X (put in record); Statement (Detail of Expenditure, marked L-X).

It being one o'clock the Committee adjourned to 4 p.m.

AFTERNOON SITTING

Meeting opened at 4.15 o'clock. The following members of the Committee were present: Messieurs Beaubien, Bell (*Hamilton West*), Bothwell, Cannon, Cowan, Donnelly, Dubuc, Ernst, Fraser, Ilsley, Laflamme, Lapierre, Lawson, Manion, McDiarmid, Power, Ross (*Kingston City*), Ryckman, Smith (*Cumberland*), Smoke, Taylor and Telford.—22.

On a quorum being declared present, it was stated by Mr. Bell that he was informed that Mr. Jacobs, the Chairman, would not be present at the afternoon meeting, and after some little difficulty in securing a member willing to preside over the meeting, Mr. Lapierre, on motion of Mr. Bell, agreed to preside as acting Chairman for the sitting.

Those in attendance were the same as at the morning sitting.

Mr. Walker recalled and Mr. Ernst proceeded with his examination.

Contracts with men on expedition, rate of pay, and amounts paid at different dates, was read into the record by Mr. Walker, during which time and after, Mr. Walker was further examined by Mr. Ilsley, Mr. Power, Mr. Lawson and others.

It being six o'clock by general agreement the Committee adjourned to meet again to-morrow, Wednesday, at 10.30 a.m., and at 4 p.m.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

ROOM 425, HOUSE OF COMMONS,

MAY 16, 1929.

The Select Standing Committee on Public Accounts met at 4 o'clock p.m., Mr. Jacobs, the Chairman, presiding.

The CHAIRMAN: Gentlemen, we will declare the meeting open. Mr. Ernst, have you anything to say.

Mr. ERNST: I promised to report to-day as to whether or not I wished to proceed further with the items relating to Cragg Brothers, Isnor and the S. Cunard and Company. I do not wish to pursue these items any further, or do anything further in connection with them.

The CHAIRMAN: I suppose a careful scrutiny of that proved—

Mr. ERNST: There was nothing that could be detected more vicious than patronage.

Mr. BEAUBIEN: That does clear the order paper altogether?

The CHAIRMAN: No; these three disappear from the order paper. You are sure there are no other items you want to strike out.

Mr. ERNST: I do not think so.

The CHAIRMAN: Is there any further business before the Committee?

Mr. DUFF: Mr. Chairman, before we adjourn I would like to move that B. M. Myers, whose address is the Strand Hotel, Sackville street, Halifax, be summoned by telegraph to appear here Tuesday morning, and that he be instructed to bring his books, accounts, cheques, vouchers, receipts, correspondence and any other matter relating to the Hudson's Bay Expedition.

Mr. ERNST: Before that motion carries—I am not opposing it—would Mr. Duff give us information as to who Mr. Myers is.

Mr. DUFF: He must be of good standing, because he has a good bank account and stays at the Strand Hotel Sackville street.

Mr. ERNST: What is his connection with the Hudson Strait enterprise. We should be enlightened. We do not summon people blindly.

Mr. DUFF: He is one of the foremen on the job.

The CHAIRMAN: Is that your wish, gentlemen.

Carried.

The CHAIRMAN: Is there any further business? If not, it is understood we will proceed on Tuesday next at 11 o'clock.

The Committee adjourned until Tuesday, May 21, 1929 at 11 o'clock a.m.

MINUTES OF EVIDENCE

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

TUESDAY, May 21, 1929.

The Select Standing Committee on Public Accounts met at 11 o'clock, a.m., the Chairman, Mr. S. W. Jacobs, presiding.

The CHAIRMAN: Mr. Ernst, have you any motion to make?

Mr. ERNST: No, Mr. Chairman; I am ready to proceed from where we left off.

Mr. ILSLEY: There is another witness I think we ought to have here, Mr. Dennis Moriarity, Mr. MacMillan's superintendent on the expedition. I am told that he has knowledge of various matters which will be material. I move that he be subpoenaed with all documents and papers including the log and the diary.

The CHAIRMAN: Is that your wish, gentlemen?

Carried.

The CHAIRMAN: We will now proceed with Mr. MacMillan.

A. S. MACMILLAN recalled.

By Mr. Ernst:

Q. Mr. MacMillan, when we rose last week I was asking you with reference to your books, vouchers, documents and so forth, respecting the Hudson Straits contract in 1927. All of the men whom you took to Hudson Strait were hired under written contract, were they not?—A. Yes.

Q. Have you those contracts here?—A. I am not sure. My bookkeeper can answer that question.

Q. Have you not checked through your books and vouchers yourself since the last sitting?—A. No, not entirely; I have not gone through the files.

Q. The first thing I want are the contracts under which you hired each individual man.

Mr. WALKER: They are not here.

By Mr. Ernst:

Q. Do I understand that these contracts are not here?—A. Well, that is the evidence of my bookkeeper.

Q. Can you produce them? You were asked to bring all documents, and surely those contracts are documents relating to this particular matter.

Mr. ILSLEY: I think we will get along faster if the bookkeeper is sworn.

By Mr. Ernst:

Q. I am asking now if you are able to produce these documents under which you hired each individual man?—A. I cannot state definitely.

Q. Have you got them here?—A. My bookkeeper says that they are not here.

Q. Why not?—A. There is a possibility that they may not be in existence.

Mr. BELL (*Hamilton*): Surely this gentleman has informed himself between the time when the telegram was sent to him on May 1st and the present date as to whether or not he has got those contracts. I would say that if he is not able to tell us that now he is trifling with this Committee.

The CHAIRMAN: I would not go so far as that. I think the suggestion of Mr. Ilsley that we swear Mr. Walker might be helpful to us.

Mr. ERNST: I am quite willing to have Mr. Walker sworn. There are certain documents I want before I can proceed with Mr. MacMillan's examination. They are not here, and I want to know why.

E. J. WALKER called and sworn.

By Mr. Ernst:

Q. Mr. Walker, you are bookkeeper to Mr. MacMillan?—A. Yes.

Q. And have been since when?—A. August, 1927. That is when I started keeping the books.

Q. Did you collect the documents, vouchers and so forth respecting this matter, which were brought to Ottawa?—A. I brought all I could find in the office.

Q. Were you aware that there were written contracts between Mr. MacMillan and his men employed at Hudson Strait in 1927?—A. I was not there when the men went away.

Q. But you were there before the men returned home?—A. Yes.

Q. Did you at any time see those written contracts, or any of them?—A. There was a signed agreement.

Q. You saw this signed agreement?—A. Yes. They may be in the office somewhere.

Q. Are they here?—A. No, I have not them with me. I could not find them. They may be at the hotel; there are other files relating to other contracts.

Q. At what hotel?—A. At the Chateau Laurier.

Q. If given an opportunity, will you go down and find them?—A. I will go and look.

Mr. ERNST: I cannot proceed without the document. He was subpoenaed to bring all documents.

The CHAIRMAN: Perhaps you could take up another phase of the matter while Mr. Walker is at the Chateau.

Mr. POWER: What do you intend to prove? Perhaps it could be admitted.

Mr. ERNST: I want to prove the contracts. I cannot proceed until the contracts are produced; I want the original evidence that those contracts contain.

Mr. POWER: Can you not state what you want proved, and possibly Mr. MacMillan will admit it?

Mr. ERNST: I want the contracts, and they should be here. The matter was made so explicit that I did not think there would be any further difficulty of this kind.

Mr. BELL (*Hamilton*): They are explicitly called for in the telegram of May 1st, twenty days ago. Surely this man knows whether or not he has looked for them, and whether or not he has been able to locate them.

Mr. MACMILLAN: I can tell you definitely what is in them.

Mr. ERNST: No, we want the contracts.

The CHAIRMAN: Is it understood that Mr. Walker will go down to the Chateau and look for these documents?

Mr. BELL (*Hamilton*): I think he had better, and I think he had better search fast.

Mr. ROSS (*Kingston*): Mr. Chairman, I am not very much interested in this matter, but it looks to me like a waste of time. I would move that we adjourn until we get the documents.

The CHAIRMAN: Would not that be wasting time?

Mr. ROSS (*Kingston*): No, we can stay right here, even if it takes us until July.

Hon. Mr. MANION: Why not instruct the book-keeper to go ahead?

The CHAIRMAN: You go down, Mr. Walker, and perhaps you could bring everything you have up here.

Mr. WALKER: Matters relating to the other contracts?

The CHAIRMAN: Everything you brought up with you.

Mr. BELL (*Hamilton*): I would suggest that this man should know where they are.

The witness (Walker) temporarily retired.

The CHAIRMAN: Can you proceed along another line, Mr. Ernst?

Mr. ERNST: Yes; I want the cheques with which the men were paid.

Mr. MACMILLAN: They are here in the custody of the book-keeper.

By Mr. Ernst: (To Mr. MacMillan)

Q. They are your cheques; can you produce them?—A. I presume I can produce them, but there are no entries ever made by me. I am not familiar with the details. I was prepared at the last sitting to give you a summary of everything the books contained, but you did not see fit to accept that—

Mr. ERNST: I was not responsible for bringing the book-keeper here, and if Mr. MacMillan has them I want to see them; otherwise I move that the Committee adjourn.

The CHAIRMAN: Mr. MacMillan says that Mr. Walker is better able to produce them.

Mr. BELL (*Hamilton*): If that is the gentleman who just went out, he did not show much familiarity with what he was asked to look up. He has known for twenty days that he had to bring them.

Mr. ILSLEY: If Mr. Ernst had intimated that he wanted to see those contracts, I am sure he would have got them.

Mr. ERNST: That is ridiculous, because in order to make the matter clear I wrote out a memorandum for the Secretary, in Mr. MacMillan's presence, in which everything was explicitly covered and I made it abundantly clear as to what I wanted.

Mr. ILSLEY: Yes, the general wording would cover it, but my learned friend could have made it very, very simple if he had said "Be sure to bring the contracts."

Mr. MACMILLAN: My instructions to Mr. Walker were to bring everything relating to this contract which was in existence, and I think he has done so. He did not have very much time, but if those contracts are in existence they are here. They are somewhere amongst our books.

By Mr. Bell (Hamilton):

Q. When did he arrive?—A. Yesterday about two o'clock.

By Mr. Ernst:

Q. And you, yourself, were home over the intervening period?—A. I was.

Q. And arrived with him?—A. Yes.

By Mr. Bell (Hamilton):

Q. Having received a telegram on the 1st, calling for the contracts, one would expect you would inquire as to whether or not this man who has the custody of these papers, had the contracts. Did you not do so?—A. I told him to bring every document relating to the contract.

Q. You knew which ones particularly were wanted, from the telegram sent to you?—A. Every document which would be necessary—

Several hon. MEMBERS: Read the telegram.

Mr. BELL (Hamilton): Reading from page 279, it says:

Telegram received Stop Committee met to-day Stop Request your attendance Tuesday, May 7, 11 a.m. and remain for examination of contracts Hudson Bay and Bedford Basin Stop Please bring all accounts, vouchers, papers, etc. in connection therewith.

Hon. Mr. MANION: We had Mr. MacMillan here and explained everything to him very thoroughly.

Mr. ERNST: The Chairman stated that he was to bring everything connected with it.

The CHAIRMAN: I understand that everything relating to these contracts is to-day in Ottawa.

Mr. MACMILLAN: Everything.

Mr. ERNST: If we cannot get the cheques, I am not prepared to go on. They are here. I do not see why they cannot be produced before the Committee.

Hon. Mr. RYCKMAN: We do not need the bookkeeper to produce the cheques.

Mr. ERNST: If a man issues a cheque and signs it, and it is in his office, he is competent to produce it.

The CHAIRMAN: No doubt about that, but whether in this mass of documents and papers he can find them, seeing he is not familiar with them, may be a question.

Mr. BELL (Hamilton): I suppose you would be glad to try, would you not?

Mr. MACMILLAN: Yes, I will go through them; but I will not make any comment or explanation in regard to the details, because I do not know them. The cheques are here, attached to the name of each particular man. They are all separated.

By Mr. Bell (Hamilton):

Q. Will you produce them so we may have them marked?—A. Yes.

The CHAIRMAN: Mr. MacMillan reports that every voucher is here.

Mr. MACMILLAN: My bookkeeper says that there is one small voucher for about \$12 missing.

Mr. ERNST: May I see the exhibits?

The CHAIRMAN: Yes, they are all tabulated.

By Mr. Ernst:

Q. Mr. MacMillan, under your contract you were to furnish certain equipment for the men who went to the Hudson Strait—rubber boots, oil skins, oil hats and a certain quantity of tools. Have you any invoices with you covering the cost of that equipment?—A. Yes.

Q. Will you produce them?—A. No. I prefer not to produce them till my bookkeeper is here. He has his papers all arranged and I do not propose to delve into them.

Mr. ERNST: Then, the only thing we can do, Mr. Chairman, is to wait till the bookkeeper is here.

Mr. POWER: Then we will know just what it is you want.

Mr. ERNST: Then the next thing I want are the books of accounts containing entries respecting the transaction.

The WITNESS: They are all here; the books are all here.

By Mr. Ernst:

Q. And it is a fact, Mr. MacMillan, is it not that each of your foremen prepared a time-book for you, containing also entries respecting supplies given to the men while they were at Hudson Strait?—A. I think it is so.

Q. Are they here?—A. The bookkeeper will give you that information.

Q. Do you know whether those books are here?—A. If they are in existence they are here.

Q. Do you know whether they are in existence, Mr. MacMillan?—A. I think they are.

Mr. ERNST: Mr. Chairman, I cannot very well go on till we get the bookkeeper here.

The CHAIRMAN: Will we remain here until Mr. Walker returns, or will we adjourn till four o'clock? We have a session at four o'clock in the afternoon.

Mr. ILSLEY: I think we had better stay.

Mr. ERNST: We might as well adjourn, because it will be necessary to have some explanation of those books before it is possible to proceed further with the examination of Mr. MacMillan. I do not think we will gain anything by going on now.

Mr. ILSLEY: If you have invoices, I suppose my hon. friend will want to examine them. They should be put in evidence.

Mr. BELL (*Hamilton*): If there is going to be any adjournment we should at least put ourselves in this position: on the return of the bookkeeper he should state just what he now has here. That should be cleared up before any adjournment is taken, otherwise we might be met by the difficulty that the bookkeeper did not want to give any explanation while the Committee was not in session.

The CHAIRMAN: It might be a good idea for the bookkeeper to tell us just what he has here.

Mr. BELL (*Hamilton*): Yes. That is what I had in mind.

The CHAIRMAN: Is it the wish of the Committee that we should wait for the bookkeeper or shall we adjourn?

Hon. Mr. MANION: Could that not be done without tying up the whole Committee?

Mr. POWER: Is there anything we can go on with until his return, Mr. Chairman?

The CHAIRMAN: That is for Mr. Ernst to say. Is there anything that we can proceed with now?

Mr. ERNST: No. I want to proceed with the examination of Mr. MacMillan, and it is rather difficult to go ahead until we have the documents here.

Hon. Mr. RYCKMAN: I suggest, in order to facilitate the matter, that the bookkeeper be instructed by you when he comes back to say what he has, and to produce everything that he has. If that were done it would not hold up the whole Committee.

The CHAIRMAN: I think that is a good idea.

Mr. POWER: An examination for discovery, so to speak.

The CHAIRMAN: We want an inventory of what he has with him.

Mr. POWER: I think he should give that before the whole Committee.

Mr. ERNST: He can produce what he has perhaps and be examined as to that when the Committee resumes, or if the Committee wants to stay all right.

Mr. POWER: Can we not hear some of the other witnesses in the meantime?

Mr. ILSLEY: I might ask Mr. MacMillan a few questions. He says he does not know about these books, of his own personal knowledge.

By Mr. Ilsley:

Q. You are a contractor, Mr. MacMillan?—A. Yes.

Q. How long have you been a contractor?—A. Oh, about 25 years.

Q. In the spring of 1927, when this contract was entered into, did you have other contracts?—A. Yes.

Q. And this man Walker entered your employ in the summer of 1927, did he?—A. I think in May. I am speaking now subject to my memory, but I think in May of 1927, not as bookkeeper.

Q. You are interested in other businesses besides contracting?—A. Yes.

Q. Managing other businesses?—A. Yes.

Q. You might tell us what businesses you are interested in?—A. At the present time?

Q. Yes.—A. I will have to refresh my memory. The larger amount of my business is carried on under my own name. I have a partnership known as MacMillan and McNearney.

Q. What is that partnership?—A. That is a contracting partnership. I have a partnership known as MacMillan and Macdonald.

Q. What is that partnership?—A. There are really two partnerships, one a lumber partnership and the other a contracting partnership. I am President of the Acadia Lumber Company.

Q. And what does it do?—A. Actual lumbering operations, and buying and selling.

Q. You say you are the President. Are you engaged in the management of that company?—A. Yes.

Q. You are Manager, as well as President, are you?—A. I am the Managing Director, you may say.

Q. Anything else?—A. I am the President and Manager of the Nova Scotia Stone Company.

Q. What does that company do?—A. They have a stone-crushing plant and supply building stone as well.

Q. Are you Managing Director of that company?—A. Yes.

Q. What is the total of the contracts that you have at the present time, as far as the aggregate amount is concerned?—A. In my own name, approximately a million dollars.

Q. How many of them are Dominion Government contracts?—A. None. I will qualify that by saying that I am finishing up one small job for the Dominion Government amounting to, I think, approximately \$30,000. I am not counting that in the sum that I just gave you.

Q. With whom are your contracts at the present time?—A. A contract with the Island Coal and Trading Company of New York City.

Q. What is the aggregate of that?—A. Approximately \$100,000.

Q. That is for the construction of a shipping pier at St. Pierre.—A. I have a contract with the Halifax Harbour Commission.

Q. What is the aggregate of that?—A. Somewhere near \$300,000. I am speaking from memory.

Q. What are the others?—A. I have two contracts with the Nova Scotia Light and Power Company, one the construction of a building for a new transformer house, and the other a pavilion.

Q. What is the size of that contract?—A. Oh, well, I can hardly tell you. My bookkeeper could tell you that. From memory, probably about \$40,000 or \$50,000. I have a contract for dredging the harbour of St. Pierre.

Q. What is the size of that contract?—A. I will run between \$400,000 and \$500,000.

Q. For whom are you doing it?—A. Indirectly for the French Government.

Q. Directly with whom?—A. Well, with the French Company, the Old Country French Company, a company in France.

Hon. Mr. RYCKMAN: This may be all very interesting but how does it relate to our inquiry here?

Mr. ILSLEY: It does. It has been said that the Dominion Government has made Mr. MacMillan its favourite son, so to speak, to use the phrase of one of the Conservative papers, so I think we had better understand something about the nature of his business.

By Mr. Ilsley:

Q. What other contracts have you?—A. I am afraid I will have to refresh my memory. I think there are two or three dwelling houses, and some other small contracts, small matters.

Q. In the spring of 1927, you were a tenderer for the supply of materials for the construction of hangars and other erections at Hudson Strait, were you not?—A. I was.

Q. That was the contract for which seven firms were invited to tender?—A. I do not know how many firms were invited.

Q. At any rate you got the contract for them?—A. I did.

Q. You supplied the materials in a knock-down condition for the construction of these erections at Hudson Strait, is that correct?—A. That is correct.

Q. And did you prepare those materials yourself?—A. No, I did not.

Q. Well, did your companies? Do you operate sawmills for yourself, or do you operate?—A. Both.

Q. Both by yourself and through your companies?—A. I operate sawmills myself and I operate sawmills through two other companies.

Q. Well, what I am asking is whether you or your companies, or men in the employ of yourself or your companies sawed out and prepared these materials, or the greater part of them?—A. My own men.

Q. And would they be more familiar with them on that account than strangers?—A. Well, they would be more familiar. The foremen who prepared the buildings in a knock-down form would certainly be more familiar with the erection than other men.

Q. They would be in a better position to put them up?—A. I think they should.

Q. It has been intimated in the press that you were given those contracts because you were a friend of the government. I am asking whether that would be a reason for offering you that contract, because you and your companies had prepared the materials; would that be a valid reason or merely a fanciful reason?—A. I think it is a valid reason, and that is one of the reasons advanced by the Department for pressing me to do this work.

Q. And were you anxious to do the work?—A. Not particularly, no.

By Mr. Bothwell:

Q. You heard what Major McLean said about offering the Department the expedition after you had organized it at your own expense?—A. That is correct.

Q. Under what circumstances did you make that offer?—A. I think the letter is in evidence now. I offered to do the work on a cost plus basis, that is, at fifteen per cent profit, not on a cost plus basis.

Q. As I understood Mr. McLean, he said that you offered to turn over the expedition to him and let him erect them himself?—A. My offer was made, because I was having a good deal of difficulty in getting the matter straightened out to my own satisfaction, and due to the uncertainty of the whole expedition, I offered him, before the contract was signed, to take the expedition as organized by me, including the three foremen and the superintendent, and all the men, to take them in under his own direction without any expense whatever to the government, simply to take them off my hands, and I was willing at that time to lose the organization expenses rather than undertake it.

Q. How long was that before the expedition?—A. I think two or three days before the contract was signed. That is my recollection from the evidence given here, two or three days before the sailing.

By Hon. Mr. Manion:

Q. You mentioned 15 per cent profit. I suppose that would be 15 per cent on a cost plus basis?—A. That would be 15 per cent profit the government to take care of all other expenses, the cost to be the government's the profit, 15 per cent, to be mine.

By Mr. Bothwell:

Q. Did that 15 per cent enter into your offer to McLean to take your equipment?—A. No, it did not.

Q. That is, you were making a voluntary offer?—A. I was making a voluntary contribution to get clear of the whole business.

By Hon. Mr. Manion:

Q. There is a good deal of contracting out through the west on a 10 per cent basis. Is 15 per cent the usual figure in the eastern section of the country?—A. It is.

Q. The reason I asked about the 15 per cent is that out west a great deal of work is being done on a 10 per cent basis. Is 15 per cent the usual practice in the east?—A. Yes; it depends entirely upon the size of the contract.

By Mr. Power:

Q. Just why did you want to get rid of this contract?—A. I thought the risk was too great.

Q. Tell us what the risk was.—A. The risk of 46 families on my hands and sending the men to an unknown place. Outside of the insurance risk there was a moral obligation which would fall on a man in my position with respect to 46 families, if life were lost.

Q. Did you know anything about conditions in this north country before you undertook this contract?—A. Nothing, only by studying the geography—what little was known of it.

Q. It was a "stab in the dark" so to speak.—A. I had never met a man who had been in that particular part of the country.

Q. Did anybody in Halifax appear to have any knowledge of that country or the conditions?—A. No, nothing at all, excepting hearsay, and the hearsay was very evident after I started to organize.

Q. Explain that to us.—A. It was pretty difficult to get the right type of men because all sorts of stories were circulated as to the impossible climatic conditions and everything else pertaining to that particular place.

Q. I suppose it was said that they were likely to be there for two or three years, frozen in.—A. That was one of the things.

By Mr. Ilsley:

Q. Do you know how many men you took on tentatively before you got 46 men to stick for this expedition?—A. I think we handled about 200 men.

Q. Explain that. Do you mean they came and changed their minds?—A. We had over 500 names on our list when it was first known that we had in mind undertaking this proposition. We had applications from all over the maritime provinces. We made lists of the names. We had made some inquiries in the meantime, and when we came to the actual selection the list began to boil down and after we had signed a great many men up, they withdrew entirely. The department limited us to the age, I think, of 50 or 55—I am not sure on that point—I think from 21 to 55, and of course a lot of them were out of the question. Then they compelled us—perhaps they did not compel us, but we did it on our own initiative—to subject every man to a physical examination.

Q. You spoke of organization expenses: what was the nature of the work you did in organizing the expedition?—A. The tentative scheme was with Mr. Surtees. I placed a man in charge of the organization and he was at it until the expedition sailed, and in connection with that and the rest of my staff, and the additional staff he had to have, there was car hire and taxis and motor boats and everything along that line. The bookkeeper can give you the details better than I.

By Hon. Mr. Manion:

Q. You know that the physical examination you mentioned is a very common thing to-day in practically half the plants of the country?—A. I am aware of that.

Q. So that there is nothing out of the ordinary about a physical examination?

By Mr. Cowan:

Q. It culled down your men to some extent?—A. Yes, it was to my advantage as well as to the department's.

By Mr. Ilsley:

Q. Are all the accounts relating to the payments to the men kept in one book?—A. So the bookkeeper informs me. I think I made that statement the other day. I had instructed him to have an individual account ledger kept, and am informed that such is the case, and that each account will appear in that ledger as relating to each particular man. I may say that all my business is kept that way; each branch of the business is kept in a ledger by itself.

Q. Did you keep in touch with the transactions recorded in that book as they went along?—A. No.

Q. Did you ever see the inside of the book?—A. No, not until I returned from Ottawa to Halifax last week.

Q. Who paid the men?—A. Mr. Walker.

Q. He kept track of the payments made?—A. Supposed to, yes.

Q. How did he pay them? Did he pay their families?—A. There was an assignment of pay by each man before he left to his family, in most cases, and the cheques were made out. I think we started making them out on the 15th when the money was payable by the department, but latterly we had to change and mail the cheques about the 13th, because we had a flood of women and children in our office usually a day or two in advance of pay day, so we started latterly making out the cheques and mailing them to the families, in order to avoid this rush to the office.

By Mr. Cowan:

Q. The cheques were made out at Halifax?—A. Yes.

By Mr. Power:

Q. Where did these men come from?—A. A good proportion of them from the maritime provinces.

By Mr. Cowan:

Q. Were these men under the Workmen's Compensation Act?—A. They were not. They refused to take them on.

By Mr. Power:

Q. Who refused?—A. The Chairman of the Workmen's Compensation Board.

Q. Did you apply to him?—A. Yes.

Q. What did he say?—A. He said that under the Act he was prohibited from taking care of them.

By Hon. Mr. Manion:

Q. All the Workmen's Compensation Acts are provincial acts, and they could not take care of men outside of the province.—A. They could by special arrangement when their destination is known and something is known about the conditions. I have had men under the Act from outside the province.

By Mr. Power:

Q. Where?—A. In St. Pierre.

Q. Out of Canada altogether?—A. Yes.

Q. And the Compensation Board of Nova Scotia covered them?—A. They did.

By Mr. Ilsley:

Q. Are you a friend of the Nova Scotian government?—A. Not by some things which have happened recently.

Q. Are any of your contracts with the Nova Scotia government?—A. No.

By Mr. Cowan:

Q. Did you have any insurance on these men?—A. No, except by covering them myself.

Q. Not by a company?—A. No; I could not get any insurance from any company.

By Mr. Power:

Q. Did you try any of the line companies?—A. I did.

Q. And you could not get insurance?—A. No.

By Mr. Ernst:

Q. The terms of your contracts with the men covered that phase of it, did they?—A. They may be regarded as covering it partially, but I was advised by my legal adviser that it did not cover them.

By Mr. Cowan:

Q. Did you have any loss of the men by death or injury?—A. Nothing very serious; as it turned out, we were very lucky.

By Mr. Power:

Q. During the summer of 1927 you had other work to do besides this?—A. Oh yes.

Q. Did you have the time to give close attention to the details of the payments of accounts?—A. I never pay any attention to detail work in my office; I have not the time.

Q. That is left entirely to your bookkeeper?—A. To my bookkeeper and my chief engineer, to whom the bookkeeper appeals if there is anything that he does not understand. He is always around some time every day, and the bookkeeper has the opportunity of discussing matters with him.

Mr. BELL (*Hamilton*): Mr. Chairman, whether or not the bookkeeper who has gone to the Chateau to see if he can find these contracts, returns shortly, this may be a proper time to suggest that in order that the work of the Committee may be facilitated all of these documents which Mr. MacMillan has brought with him should be brought over here, because it is quite obvious that the work of this Committee is going to be seriously retarded if every time we ask for some document, it is necessary for a clerk to go over and see if he can find it. I have no doubt that Mr. MacMillan will be quite ready to accord with that, and have them brought over.

Mr. MACMILLAN: That is my instruction to him.

By Mr. Bell (Hamilton):

Q. To bring them all over?—A. Yes; every document he has in the hotel, relating to this or to any other contract.

By Mr. Ilsley:

Q. I asked you about the contracts you had now. I did not ask you about the contracts you had in 1927. Will you tell us something about those?—A. I think my lumbering business was perhaps the largest part of my work in 1927, but in addition to that I had a contract from the Western Union Cable Company of New York city for the construction of a pier in Halifax under the supervision of Stone & Webster of Boston. That was carried on in the spring of 1927 and was a job, on account of the heavy machinery used, to which I devoted considerable attention myself. At the same season I had a contract with the Department of Militia and Defence for the construction of magazines at Bedford Basin, and several other smaller contracts. The aggregate of my contracts for that year was approximately \$400,000.

By Hon. Mr. Manion:

Q. What was the amount of this Hudson Strait contract?—A. The erection contract—that is, taking every phase of the contract, and there were three or four phases of it as set forth in the terms of the contract—amounted to, I think, around \$46,000.

Q. What did the Bedford Basin one amount to—in round figures?—A. I cannot say—something over \$100,000.

By Mr. Power:

Q. Was that not in 1926?—A. No, 1927.

Q. There was one in 1926 and one in 1927?—A. One in 1927.

Q. You spoke about the different phases of these contracts. What were they?—A. First, the time of the men going up, which covered one phase of the contract; the 75 day period for which I had a lump sum; the overtime during the 75 day period as ordered by the chairman of the expedition; the extra time after the 75 day period, and then the contract covering the time of the men returning on the "Larch" and on the "Stanley."

Q. So for the purposes of making this clear, you divided it in your own mind into five different phases?—A. Yes.

E. J. WALKER, recalled.

The CHAIRMAN: There was a question put by Mr. Ernst to Mr. Walker which necessitated his going to the Chateau and bringing these documents. What was the question?

Mr. ERNST: Mr. Chairman, I asked for the contract entered into between Mr. MacMillan and the men—the signed agreements, as Mr. Walker called them.

The CHAIRMAN: Have you these here?

Mr. WALKER: They are here—nine of them.

(The said documents were filed and marked in evidence as Exhibits "A" to "I" inclusive.)

By Mr. Ernst:

Q. I hold in my hand, Mr. MacMillan, the labour agreement signed by four men, Stephen Dacey, Chester Mosher, Everett Baker, and Albert Lenar. Did all the labourers enter into like agreements?—A. You have all the agreements there.

Q. Then there was a contract entered into with the handymen?—A. I believe there was.

Q. The handymen were under the same contract?—A. You have the contracts; I will not discuss them.

Q. And there was a contract with the carpenters?—A. I presume so.

Q. I do not find the contract which you entered into with your foreman. Where is that?—A. Mr. Walker tells me that there was none.

Mr. ERNST: I am instructed by one of the foremen that a contract was signed by him.

Mr. WALKER: I never saw it.

Mr. ERNST: Were contracts prepared for the foremen or not?

Mr. WALKER: I don't know. I was not there at the time, but they were not in the office when I went there.

Mr. ERNST: Have you searched for the foreman's contract?

Mr. WALKER: I did.

Mr. ERNST: And you found none?

Mr. WALKER: None.

Mr. ERNST: The labour contract reads as follows:

LABOUR

I, the undersigned, hereinafter known as the Employee, in consideration of \$100.00 per month, to be paid as per memorandum attached, agreed with A. S. MacMillan, of Halifax, hereinafter known as the Employer, as follows:

(1) To accompany the Hudson Straits Expedition scheduled to leave Halifax on or about July 16, 1927.

(2) To faithfully perform any and all work of which I may be capable and which I may be ordered to do by the Foreman in charge of the Base or Station to which I may be assigned, or by the officer in charge of the Expedition, or his representative.

(3) To work as directed by the above mentioned Foreman or Officer, or their representatives, a full ten hour day throughout the period of seventy-five working days, or such lesser period as may be determined.

In this connection I agree that if weather or other conditions prevent working ten hours of one day, the deficiency in working hours is to be made up when weather conditions permit. Working hours in case of accident, injury or sickness shall be determined by the Foreman or Officer in charge.

(4) It is agreed here that wages are to be paid from the time the Employee leaves Halifax until he is returned to Halifax.

(5) To submit to all official regulations governing the Expedition for the maintenance of law and order.

(6) To take no part in strikes of any kind.

(7) To carry no firearms and no alcoholic liquors.

(8) To submit if necessary to a medical examination and to abide by the results of same as may be ordered by the Foreman or Officer in charge.

(9) To waive any claim of any kind against the Employer for damages due to accident, sickness or death while employed or while en route on this Expedition, but should any accident occur while on duty regular time will be allowed until Employee is returned to his home.

Dated at Halifax, N.S., July 15th, 1927.

(Signed) STEPHEN D. DACEY,
CHESTER S. MOSHER,
EVERETT MARDER BAKER,
ALBERT H. LONAR.

By Mr. Ernst:

Q. The only difference I can discover between the agreement with the labourers and the handymen is that the handymen were engaged at \$125 a month.—A. I think that is correct.

Q. To date from the time of leaving Halifax?—A. Yes.

Mr. ERNST: The agreement with the handymen is as follows:

HANDYMEN

I, the undersigned, hereinafter known as the Employee, in consideration of \$125 per month, to be paid as per memorandum attached, agrees with A. S. MacMillan, of Halifax, hereinafter known as the Employer, as follows:

(1) To accompany the Hudson Straits Expedition scheduled to leave Halifax on or about July 16, 1927.

(2) To faithfully perform any and all work of which I may be capable and which I may be ordered to do by the Foreman in charge of the Base or Station to which I may be assigned, or by the officer in charge of the Expedition, or his representative.

(3) To work as directed by the above-mentioned Foremen or Officer, or their representatives, a full ten-hour day throughout the period of seventy-five working days, or such lesser period as may be determined.

In this connection I agree that if weather or other conditions prevent working ten hours of one day, the deficiency in working hours is to be made up when weather conditions permit. Working hours in case of accident, injury or sickness shall be determined by the Foreman or Officer in charge.

(4) It is agreed here that wages are to be paid from the time the Employee leaves Halifax until he is returned to Halifax.

(5) To submit to all official regulations governing the Expedition for the maintenance of law and order.

(6) To take no part in strikes of any kind.

(7) To carry no firearms and no alcoholic liquors.

(8) To submit if necessary to a medical examination and to abide by the results of same as may be ordered by the Foreman or Officer in charge.

(9) To waive any claim of any kind against the Employer for damages due to accident, sickness or death while employed or while en route on this Expedition, but should any accident occur while on duty regular time will be allowed until Employee is returned to his home.

Dated at Halifax, N.S., July 15, 1927.

(Signed) WILLIAM IRONS,
ROBERT CAMPBELL,
LORNE HAYTER,
JOHN ROGERS,
JAMES BELNOW (?).

By Mr. Ernst:

Q. The only difference under which the carpenters entered your employ was that they were engaged at a rate of \$150 per month.—A. I think that is correct.

Mr. ERNST: The agreement with the carpenters is as follows:

CARPENTERS

I, the undersigned, hereinafter known as the Employee, in consideration of \$150, per month, to be paid as per memorandum attached, agree with A. S. MacMillan, of Halifax, hereinafter known as the Employer, as follows:—

(1) To accompany the Hudson Straits Expedition scheduled to leave Halifax on or about July 16, 1927.

(2) To faithfully perform any and all work of which I may be capable and which I may be ordered to do by the foreman in charge of the Base or Station to which I may be assigned, or by the officer in charge of the expedition, or his representative.

(3) To work as directed by the above mentioned foreman or officer, or their representatives, a full ten-hour day throughout the period of seventy-five working days, or such lesser period as may be determined.

In this connection I agree that if weather or other conditions prevent working ten hours of one day, the deficiency in working hours is to be made up when weather conditions permit. Working hours in case of accident, injury or sickness shall be determined by the foreman or officer in charge.

(4) It is agreed here that wages are to be paid from the time the Employee leaves Halifax until he is returned to Halifax.

(5) To submit to all official regulations governing the Expedition for the maintenance of law and order.

(6) To take no part in strikes of any kind.

(7) To carry no firearms and no alcoholic liquors.

(8) To submit if necessary to a medical examination and to abide by the results of same as may be ordered by the foreman or officer in charge.

(9) To waive any claim of any kind against the Employer for damages due to accident, sickness or death while employed or while en route on this expedition, but should any accident occur while on duty regular time will be allowed until employee is returned to his home.

Dated at Halifax, N.S., July 15, 1927.

(Signed) HARRY PREST,
WALTER THERIAULT,
ALONZO NIEFORTH,
CHARLES A. COLLINGS,
DAVID A. HYSON.

By Mr. Ernst:

Q. I find apparently that the agreements are signed by everyone, but there are no agreements for the foremen. Why were no agreements taken from the foremen?—A. I cannot answer that.

Q. Were any taken, Mr. MacMillan?—A. I cannot state whether there were or not. One of my foremen is here and can give you that information.

Q. Were all the foremen treated on the same basis?—A. Yes.

Q. You are quite positive of that? How do you know?—A. So far as I can recollect, I have no knowledge of any difference.

By Mr. Power:

Q. How many foremen were there?—A. Three foremen.

By Mr. Ernst:

Q. And a superintendent?—A. Yes.

Q. All on the same basis?—A. That was my understanding. The book-keeper probably can tell you.

Q. Who was your book-keeper at that time? Who prepared these contracts for you?—A. I think, speaking from memory, they were prepared by my chief engineer, Mr. C. A. MacNearney.

Q. Have you made any inquiries of whether the foremen were under written contract?—A. I could do it; I never thought about the contracts until I came here.

Q. Mr. MacMillan, I find your contract bound you to pay the men from the time they actually left Halifax until they actually returned. Do you know whether that was the basis upon which they were paid?—A. I cannot say definitely.

Q. Have you any knowledge of it?—A. No, I have not.

Q. Did you ever have any knowledge, to your recollection?—A. I told you at the outset that the details were entirely unknown to me.

Mr. ERNST: May I switch to Mr. Walker for a moment and ask if he will produce all vouchers for supplies other than tobacco and things of that description, including equipment such as oil coats, oil hats, rubber boots and tools which were furnished to the expedition?

Now, I will return to Mr. MacMillan.

By Mr. Ernst:

Q. I understood you to say that you did not at any time have knowledge of how the men were paid, whether they were actually paid or not from the actual date of leaving to the actual date of return.—A. No; I had no actual knowledge of my own; it may have been referred to by the bookkeeper or discussed with me on occasions, but I have no recollection of it.

Q. Had you knowledge of the contents of the contracts?—A. In their original forms?

Q. Between yourselves and the labourers?—A. At the time, yes.

Q. I presume they were prepared under your direction?—A. No doubt; I saw them anyway.

Q. Can you, in the light of these contracts and the light of the cheques which I find, the first date of moneys being actually paid being July 17th for 15 days in July, offer any explanation of this statement made in a letter written by you to Mr. Boyle, appearing at page 178 of proceedings No. 6, under date of May 7th:

Replying to your letter of recent date, enclosing copy of statement made out, showing balance due me according to your information. Let me point out to you that this is not my understanding of the contract and it certainly is not my interpretation of certain clauses in the contract.

According to my books which are in accordance with my understanding of the contract with the department, the balance you owe me under same and for over-time authorized by your Major McLean is 14,810.65.

First with respect to the men's time going up on the Larch which was to be paid by your department over and above the amount of the contract, there may be a discrepancy as to the days. You are aware that I was advised the Larch would sail on a certain date. I ordered the boat sailed, and having ordered them in I was under obligation to pay them regardless of when the Larch sailed.

Can you offer any explanation for writing that paragraph in the light of the contract entered into between you and the men?—A. I may not have had the contract before me when that letter was dictated, if it was dictated by me. There is a possibility that it was dictated by the bookkeeper. I am not sure whether it was dictated by myself or not.

Q. Well, Mr. MacMillan, I find further that you collected from the Department wages for the 16th day of July. That is page 191 of the Report of May 7: "Time of men going to Hudson Straits via Larch, July 16 to August 3, inclusive."—A. That may be correct. Mr. Walker will advise you as to that.

Q. Can you offer any explanation as to that?—A. I have no explanation to offer. The book-keeper probably can explain it.

Q. Perhaps the book-keeper has the vouchers containing the cost of the equipment?—A. Yes.

The CHAIRMAN: You have them, Mr. Power. They had better be marked. Document offered in evidence and marked as Exhibit J-X 38.

By Mr. Ernst:

Q. Mr. MacMillan, to come back to the question which I was asking, I find by reference to the vouchers and to the contract that your men started work officially and were paid for the 17th day of July, beginning on the 17th day of July, and I find that you collected from the Department for one day additional, the 16th day of July, the day before the boat sailed. Can you offer any explanation as to that?—A. No, I do not know that I can. Mr. Walker can probably explain why he made out the accounts that way.

Q. Did you award the time the men were in transit either to Hudson Strait, or from Hudson Strait; did you pay the men wages for Sundays, in addition to the regular monthly rate?—A. We paid them a monthly rate covering the calendar months.

Q. Working days?—A. Covering the calendar month. We were not paying by the day, we were paying by the month.

Q. Mr. MacMillan, when the men worked at Hudson Strait on Sunday, did they receive overtime for it?—A. During the 75-day period I understand they did, but I am speaking from memory and I would prefer that Mr. Walker answer those questions.

Q. To the best of your knowledge did they receive overtime pay when they worked on Sundays at Hudson Strait?—A. I think the overtime that they were paid for covered the Sundays during the 75-day period.

Q. In other words, you think, that when they worked on Sunday at Hudson Strait they were paid overtime?—A. That was the contract—

Q. Yes?—A. That was the contract with the Department.

Q. And you paid the men overtime wages accordingly as they were remitted to you by the Department?—A. Mr. Walker will answer that.

Q. I am asking you, Mr. MacMillan?

Mr. POWER: I suggest that Mr. MacMillan has said time and again that Walker is familiar with all those details. Why not ask him? I do not think it is fair to be pressing Mr. MacMillan when he tells you that he does not know.

Mr. ERNST: I would rather there were no conferences, Mr. Chairman, between Mr. MacMillan and Mr. Walker.

The WITNESS: I was just asking for the contract.

By Mr. Ernst:

Q. I find, Mr. MacMillan, by reference to the contract entered into between you and your men, that they contracted to work at the rate of \$100 per month; to work as directed by the above mentioned foreman, or officer, or their representatives of full ten-hour day throughout the period of 75 working days, or such lesser period as may be determined. And further, that if weather or other conditions prevent working ten hours of one day, the deficiency of working hours is to be made up when weather conditions permit?—A. It was all weather.

Q. Mr. MacMillan, do you know whether the men during transportation were paid anything extra for Sundays above the monthly rate?—A. I cannot answer that, so you may as well ask the book-keeper.

Q. Mr. MacMillan, during the whole of the time the men were at Hudson Strait were they paid anything other than the rates which were specified in the contract, that is, \$100 for labourers, \$125 for handy men, and \$150 for carpenters, except as to the overtime?—A. I would think that they were paid according to our understanding of the contract, but that is a matter that Mr. Walker can give you definite information on.

Q. You mean the contract between you and the men?—A. Yes.

Q. Have you any personal knowledge as to the purchase of materials, Mr. MacMillan?—A. No.

Mr. ERNST: I think that is all I have to ask Mr. MacMillan at the moment.

By Mr. Ilsley:

Q. About this first day. Was McNearney dealing with those men and paying them money before the expedition started?—A. He is my Chief Engineer and right hand man, and he dealt entirely with the organization of this expedition, and I presume gave instructions to Mr. Walker when he took charge of the books.

Q. About this day, July 16th, might it have been that McNearney paid them for that day?

Mr. ERNST: Mr. Chairman, that is hypothetical again. The vouchers talk.

Mr. POWER: I would suggest that we make a rule for both Mr. Ernst and Mr. Ilsley, that they ask questions from persons who know.

The CHAIRMAN: Mr. Ilsley's question is not hypothetical.

Mr. ERNST: "Might it have been"?

By Mr. Ilsley:

Q. Do you know whether McNearny paid them for that first day or not?—
A. Well, I cannot say definitely. He paid a lot of small accounts with cash. I furnished him with a certain amount of cash to handle the organization. That is, I gave him a cheque which was cashed.

Mr. ILSLEY: That is all I have to ask.

The CHAIRMAN: Mr. Power, does anything suggest itself to you?

Mr. POWER: Nothing at all, except that Mr. Ernst, if the Tories ever get into power, is going to be known by the name of "Motherwell of the Tory Party". He is the champion blocker of his own estimates.

The CHAIRMAN: Any further questions? Any further questions from Mr. Walker?

Mr. ERNST: Yes, I want to ask Mr. Walker some questions.

E. J. WALKER, recalled.

By Mr. Ernst:

Q. Mr. Walker, I asked for the production of vouchers for equipment supplied to the Hudson Strait expedition?—A. I have produced them.

Q. Have you totalled them at all?—A. I have them on the balance sheet.

Q. Would you produce the balance sheet?—A. It is being typed now.

Q. Being typed where?—A. Here in the city.

By Mr. Ilsley:

Q. Is that what you asked me to get typed for you?—A. Yes.

Mr. MACMILLAN: May I suggest that Mr. Walker check that with the original to see that it is a correct copy.

The WITNESS: The department still owes us \$217 under the contract.

By Mr. Power:

Q. Who owes you money?—A. The Department of Marine and Fisheries.

Q. How much?—A. \$217.13 plus the additional four men who went up and who were not included in the original statement. I did not notice it at the time.

Q. Tell us about the additional four men?—A. There were forty-two men called for on the contract, and any increase the contract would be increased pro rata, and I only billed the department for forty-two.

Q. As a matter of fact, how many went up?—A. Forty-six.

Q. So you claim that the department owes you \$217.13?—A. \$217.13 which we paid out in overtime.

Q. And how much for these four men?—A. \$2,828.

Q. So that the department owes you about \$3,000 according to your statement?—A. Yes, which we would like to collect.

Q. I would suggest that you employ Mr. Ernst as attorney.

Mr. ERNST: I am afraid I would not have much sympathy for my client.

By Mr. Ernst:

Q. Mr. Walker, you have produced the balance sheet, of which I hold a copy in my hand?—A. Yes.

Document produced and marked as Exhibit K-X.

Mr. POWER: Is that balance sheet to be printed in the record?

Mr. ERNST: I am going to ask to have it incorporated.

By Mr. Ernst:

Q. Mr. Walker, in the balance sheet which you have furnished to me, I find that the wage account net was \$27,042.90 for the entire period?—A. Yes.

Q. Organization expenses, \$1,248. Have you any vouchers for those?—A. That was data furnished me by the engineer before I took over this thing.

Q. Have you the data?—A. No, I have not the data.

Q. Can you produce any details to show how the organization expenses are made up?—A. Yes, I can.

Q. Tools and equipment, Mdse., etc., are they all covered by these vouchers which I hold in my hand?—A. Yes.

Q. That is Exhibit J-X?—A. The other one will show the details of it.

Document produced and marked Exhibit L-X—cost of the expedition.

Mr. POWER: That is a statement of what?

Mr. ERNST: It appears to be a summary of Mr. MacMillan's expenses under the contract.

The WITNESS: I made that up to show Mr. MacMillan how the money was spent.

By Mr. Power:

Q. What do you call it in your general statement?—A. I would call it a detail of expenditures.

By Mr. Ernst:

Q. How long have you been keeping books, Mr. Walker?—A. Not very long.

Q. Have you any vouchers for the item "C. A. McNearney, (Engineer) \$180," organizing?—A. It was in his regular salary.

Q. He was in Mr. MacMillan's employ ordinarily?—A. Yes.

Q. How long was he engaged in organization?—A. I was not there at the time.

Q. Where did you get the figures?—A. That was a proportion of his salary.

Q. For what time?—A. I think he got \$300 a month; that was a proportion.

Q. On whose instructions did you take the proportion?—A. McNearney's?

Q. When?—A. Well, 1927.

Q. Well, from what did you make this balance sheet?—A. I think if you will look at them, both of them will agree.

Q. I am not asking that. From what record did you make it in 1927?—

A. The data which Mr. McNearney furnished me with.

Q. Where did you keep the data, in what?—A. We just have it on a note pad.

Q. Have you got the note pad?—A. No, we do not save them.

Q. Well, when did you make this particular balance sheet?—A. We made it up at the end of the year.

Q. What year?—A. Well, I would say it was made up somewhere around June or July of 1928.

Q. Any copy of it furnished to the Department showing your claim?—A. No, I did not furnish a copy to the Department. I gave them a statement.

Q. Have you got the original balance sheet, of which this is a copy?—A. Yes.

The CHAIRMAN: Are the figures at the bottom \$46,388.63?

Mr. ERNST: Yes, but I would like to see the original, Mr. Chairman.

By Mr. Ernst:

Q. When was the document which I hold in my hand prepared, Mr. Walker?—A. It was prepared some time last year; I do not know the exact date.

Q. When was the pencil note placed on it?—A. Well, I do not know the exact date it was placed on there, but I would say it was placed on there about a month or more ago.

Q. Have you any voucher for the amount of \$208 charged, or alleged to have been paid to D. Moriarity?—A. No, I have not. The only thing I know is that it was paid.

Q. Have you no cheque?—A. Well, the cheque may be there, I cannot say; it may be among those cheques.

Q. Truckage, car-hire, taxi, etc. Have you any details of that item, \$285?—A. We have our own cars and our own truck. Occasionally we have to hire a taxi.

Q. You were not there?—A. I was not there.

Q. From what data did you make that item?—A. From the engineer.

Q. Where is the engineer's data with respect to that?—A. I do not know where it is now.

Q. What did you with it?—A. I guess I threw it away.

Q. You did not save it?—A. No; we have so much stuff we cannot save it all.

Q. Motor-boat hire, \$75?—A. That was a credit to another job where the motor-boat was working at the time.

Q. No vouchers to show for that?—A. No, it was our own motorboat.

Q. What was the other job?—A. Western Union Cable Wharf, Halifax.

Q. Incidental expenses, \$500. Have you any vouchers of the details making that up, Mr. Walker?—A. No; we do not keep any vouchers for incidentals.

Q. Were there any supplied to you?—A. No.

Q. Is that just a good guess?—A. Well, incidentals as I know them, it is always guess work.

Q. You guessed at the \$500?—A. I did not guess at it at all.

Q. Who did?—A. It is data supplied me by the engineer.

Q. By Mr. McNearney?—A. Yes.

By Mr. Power:

Q. As a matter of fact, on a particular job, does not the engineer carry a considerable amount of cash, which he pays out from time to time?—A. Yes. He pays cash out for things for which no record is kept.

Q. You simply get the total that he has expended on the business of the concern?—A. That is the whole thing.

Q. And you turn that in, and you have enough confidence in him so that you do not ask him for a voucher for every two dollar or three dollar item?—A. We have enough confidence in him or he would not be there.

By Mr. Ernst:

Q. I find in the "Tools, Equipment, Mds., Etc.," Philips and Marshal, \$58.81, for carpenters' supplies, apparently?—A. Yes.

Q. Wm. Robertson and Son, do you know what that was for off-hand?—A. The vouchers are there.

Q. Mostly for carpenter's supplies?—A. Yes.

Q. An item of \$123.64. Arthur Fordham and Co., for nails, \$49.74?—A. For shoe leather, was it not?

Q. Perhaps it was shoe leather; there are different items.

By Mr. Power:

Q. Did you call for tenders for those things?—A. I cannot say.

MR. ERNST: In due course you will come to it.

MR. POWER: I asked the question in all good faith.

By Mr. Power:

Q. Did you call for tenders?—A. No.

Q. Have you a patronage list?—A. No.

By Mr. Ernst:

Q. Dominion Rubber Co. Ltd., \$270.25. That represents oilskins and rubber coats?—A. The vouchers are there for it.

Q. It represents rubber equipment of various kinds. J. and M. Murphy Limited. Do you remember what that was for? Blankets and towels. Tools and Equipment from Western Union Wharf and Assembling Contents. Have you any record of what that was for?—A. That was data supplied by the engineer, our own tools which had been brought from that work and sent up to the Hudsons Bay.

Q. They were not tools which you actually bought?—A. Oh, yes, we bought them.

Q. When?—A. I do not know. We have to buy tools all the time.

Q. You had them on hand and took them up there?—A. That is correct.

Q. Imperial Tobacco Company for tobaccos?—A. Yes.

Q. Any tobaccos that were supplied to the men were charged to them, were they not?—A. Yes.

Q. So it does not present a capital outlay?—A. If you look at the sheet I think you will see there is a credit for merchandise.

By Mr. Power:

Q. There is a credit for merchandise where? We are not in the fortunate position of Mr. Ernst; we have not those documents before us, and I would like an explanation as we go along.—A. Total amount paid out according to the ledger, and a credit for whatever merchandise that was charged to the men. That gives you the total amount of cash paid out. I think Mr. Ernst said it was \$27,042.90.

Q. Tools and equipment taken off some other job. You charged the Hudson Bay expedition with that?—A. Yes, and credited the other job.

Q. Is it your custom to do that kind of thing on different jobs?—A. Certainly. We have five, six and ten jobs going at the one time.

Q. And what goes to— —A. From one job to another has to be credited and debited.

Q. You endeavour, as far as you can, to keep separate accounts for each job to know where you are at the end of the year?—A. We want to know where we are at on each job, so that we can increase the cost on the next one if we lose any money.

Q. Are you thinking of going into the contracting business for yourself?—A. No, I am perfectly satisfied.

By Mr. Ernst:

Q. I must admit, Mr. Walker, that I cannot see why you have that entered as a capital expenditure connected with the expedition, \$834.14?—A. Well, was it not?

Q. I am asking you, why do you put it in that way; that was tobacco which was furnished to the men, or charged to the men?—A. The credit off-sets it.

Q. And any which came home you still have?

Mr. POWER: He is smoking the cigarettes now.

By Mr. Ernst:

Q. And any which came home you still have?—A. Yes, what came home, but there is very little, I think, that came home.

Q. Tower Canadian Co., I cannot find out what those items are?—A. The vouchers are there for it.

Q. The vouchers do not tell me what the items are.—A. That is all I have.

Q. In what do they deal?—A. The Tower Canadian Company, I think, manufacture oilskins.

Q. What is this "Proportion Own Time"? Whose time is that?—A. Mr. MacMillan's.

Q. Where did you get those figures?—A. Made up on the basis that Mr. MacMillan is interested in five or six different companies and his proportion of salary, \$10,000 a year, to get back some money from the companies in which he is interested.

Q. Under whose instructions did you make that?—A. Well, when I went there that is what he told me to charge up to the different firms. We operate the Acadia Lumber Company, the Atlantic Motor Sales, MacMillan and Macdonald, MacMillan and McNearney, and MacMillan and MacManus, The Nova Scotia Stone Company, and other small concerns, which Mr. MacMillan is interested in.

By Mr. Power:

Q. You endeavoured to charge Mr. MacMillan's salary——A. Apportion it according to the amount of business we do for the year.

By Mr. Ernst:

Q. Where did you get any record of Mr. MacMillan's own time spent on this particular matter?—A. We took it from the amount of money he received.

By Mr. Power:

Q. Mr. Ernst said "Where did you get the instructions to charge for the time Mr. MacMillan spent on this particular matter". The witness says that he apportions Mr. MacMillan's salary over all these companies irrespective of what time he actually spends at that work.

By Mr. Ernst:

Q. That is the way it was done, and you charged \$1,161 of Mr. MacMillan's own time?—A. Yes, the same as I charged all the companies. We take up the total expenditure for the year of all those different companies.

By Mr. Ilsley:

Q. What was your basis for that?—A. We based it, I think it was, on \$450,000 worth of work we did that year.

By Mr. Ernst:

Q. I do not quite see how you arrive at \$1,161?—A. That is a percentage.

Q. Will you just show how you figure \$1,161.67 the amount which should be charged for balance sheet purposes against Mr. MacMillan's time in this matter.

Mr. POWER: It is now one o'clock, Mr. Chairman, and I would suggest that Mr. Walker give Mr. Ernst a lesson in mathematics while we go to lunch.

The CHAIRMAN: Seeing it is one o'clock, I think we had better adjourn.

The WITNESS: It is based on \$450,000 at two and one-half per cent; I think it works out at around one thousand dollars odd.

By Mr. Ernst:

Q. In other words, to arrive at this, you are taking the whole year?—A. The whole year, certainly.

Q. Although the contract only allows for six months?—A. I thought I explained that before.

The CHAIRMAN: Gentlemen, it is one o'clock. We will adjourn till four o'clock.

The witness retired.

The Committee adjourned till 4 p.m.

AFTERNOON SESSION

The Committee resumed at 4 o'clock p.m., Mr. E. A. Lapierre in the Chair.

E. J. WALKER recalled.

By Mr. Ernst:

Q. Mr. Walker, I was asking you with reference to a statement or alleged balance sheet which was brought forward by you this morning, and on it I notice an item of "Proportionately owned time" amounting to \$1,161.57. Will you explain to the Committee how you arrived at that item?—A. As I said this morning, it was an amount of \$10,000 proportioned out against the different companies, which Mr. MacMillan owns and operates, on the volume of business.

Q. Where did you get the amount of \$10,000? Was it an arbitrary amount?—A. That is it.

Q. Have you any other balance sheet prepared in a similar fashion?—A. No, I have not; only matters dealing with this contract. That is all I was asked to bring.

Q. Are there any others prepared in that fashion?—A. So far as I know, they are all prepared that way.

Q. Then there is an item of "Office expenses," \$1,899. Will you explain to the Committee how you arrived at that?—A. Well, our office just covers our own work, and those other companies I referred to have their own office.

Q. What is the total of the contracts which Mr. MacMillan had in 1927?—A. I think his business amounted to around \$400,000 or \$450,000.

Q. That is contracts?—A. Contracts and various businesses which he carries on.

Q. Handled by the office?—A. No; his own time is proportioned out differently amongst the offices.

Q. What volume of business was handled through that particular office in that year?—A. I cannot say.

Q. Then how do you arrive at the figure of \$1,899?—A. That was the proportion of our office expenses on this particular contract.

Q. Reckoned in what manner?—A. Salaries of engineers, the cost accountant, stenographers, time-keepers, rent of the office, use of the cars, postage, telegraph and telephone.

Q. You made the calculation yourself, I presume?—A. No, it is made up by the cost accountant.

Q. Have you any connection with it?—A. I looked into it.

Q. Tell us how much of it was apportioned to this particular contract—on what basis?—A. The expenses of the office are spread over the business which is carried on.

Q. What was the volume of business over which it was spread?—A. I cannot remember offhand; I cannot say.

Q. Do you not know how that item is made up?—A. I am explaining how it was.

Q. I am anxious to get at it a little more accurately. I would like to know what proportion this contract bore to the volume of business passing through the office.—A. That is a question which I think we would have to have the rest of the office here to answer.

Q. What is the total cost of the office for the year?—A. Around \$2,200 a month.

Q. For that particular office alone?—A. Yes.

Q. What staff have you?—A. Three engineers in that office.

Q. They are on particular work, I assume?—A. Yes, different work.

Q. Chargeable to different contracts?—A. Yes; their time is spread over the different jobs; they are not always on the one job.

Q. Was any of their time applied to this particular work after the organization period?—A. Yes.

Q. Whose?—A. Mr. Macpherson's.

Q. To what extent and in what way?—A. To the extent that he checked over some of the accounts.

Q. I am speaking of engineers, not book-keepers.—A. That is what I am talking about—engineers.

Q. How much time did Mr. Macpherson spend on this particular matter?

—A. I cannot say; I believe about two weeks.

Q. All told?—A. Yes.

Q. Checking over accounts?—A. Yes.

Q. How much time did Mr. MacMillan spend on this particular matter outside of organization?—A. He spent time signing cheques.

Q. Enough time to thoroughly familiarize himself with the whole matter?—A. I cannot say; I do not know what his memory is.

Q. How much time did he spend on it?—A. I cannot say.

Q. You have no record of it in any way?—A. I cannot say how much time he spent on it.

Q. Have you any record to show your method of arriving at the office expenses in detail?—A. No.

Q. Nothing to substantiate it, except your own word?—A. Yes.

Q. "Charge for interest": have you anything here to substantiate that?—A. The accounts in the ledger, if you wish to figure it out; it was figured and checked.

Q. It represents actual advances made by the bank, or does it represent capital paid out by Mr. MacMillan until he received money from the department?—A. That is it.

Q. "Insurance" \$6,500.—A. That is supplied by the engineer.

Q. Did you spend any money on insurance?—A. We paid no insurance.

Q. Did you lose any money in that respect owing to carrying no insurance?—A. Not that I know of.

Q. Then why the item of \$6,500 in the balance sheet?—A. That is a fair charge.

Q. For what?—A. For insurance.

Q. What I understand is that you made up a balance sheet showing a profit and loss on this particular transaction?—A. Yes.

Q. And you spent nothing for insurance?—A. No.

Q. The fact that you carried no insurance, meant it cost you nothing?—A. It did cost us something.

Q. What?—A. Cost us a lot of anxiety.

Mr. BELL (*Hamilton*): You cannot be helping us that way; do not be so flippant.

By Mr. Ernst:

Q. You capitalized it at \$6,500?—A. I did not.

Q. Who did?—A. Mr. MacNearney.

Q. Did he prepare the whole statement?—A. No, he did not.

Q. You just put the \$6,500 in it?—A. Yes, as supplied by him.

Q. In arriving at your net profit, the \$6,500 has to be deducted?—A. I would imagine so.

Q. So that the correct net profit is not \$5,000 odd as shown but approximately \$12,000, accepting the rest of your figures?—A. That is your deduction.

Q. Accepting the rest of your figures?—A. Yes.

Q. Could you furnish me, at to-morrow's sittings, with a statement of the wages paid and the merchandise, and when I say "merchandise" I mean only rubber boots, rubber coats, or oil coats, hats and carpenter tools? Could you furnish me with a statement amount of those involved?—A. You have those.

Q. No, I regret the information does not contain that.—A. It was here this morning.

Q. Can you prepare a statement over night?

Mr. POWER: Why should he? You have the vouchers.

Mr. ERNST: Unfortunately the vouchers are simply invoices of goods, and I personally cannot tell whether "goods" is rum or oilskin coats.

The ACTING CHAIRMAN: Does not the invoices show what the items are?

Mr. ERNST: Not in all cases.

Hon. Mr. MANION: If the Committee will accept Mr. Ernst's figures, he can make that up, but I do not suppose the Committee will accept them.

Mr. POWER: I am willing to accept almost anything to get rid of this. What do you want?

Mr. ERNST: I want the wage account, and the cost of oil coats, oil hats, rubber boots and carpenters' tools.

Mr. ROSS (*Kingston*): I object to this. This witness is treating this thing in a trivial way. He can say that he can or that he can not. He makes no answer. Ever since he has got in the chair he has been trifling with this thing, and I want an answer.

Mr. ILSLEY: I do not think that is fair to the witness.

Mr. ROSS (*Kingston*): It is fair, and he has done it ever since he sat down.

Mr. ILSLEY: I do not think that is fair to the witness.

By Mr. Bell (Hamilton):

Q. I suppose you can do it if necessary.

Mr. ERNST: My purpose in asking for that is—

Mr. ILSLEY: I do not think that is fair at all.

By Mr. Bell (Hamilton):

Q. Do you know that I asked you a question?—A. Yes.

Q. Will you answer it?—A. I did not hear all of it.

Q. I asked you if you could do it, if it were necessary?—A. I did not give the figures—

Q. I suppose you can, if necessary—can you?—A. Yes.

Mr. BELL (*Hamilton*): That is what I want to know. The next time I ask you a question, be good enough to answer it.

Mr. BOTHWELL: I think Mr. Bell is out of order.

Mr. ROSS (*Kingston*): He is not out order—

Mr. BOTHWELL: I have the floor here. This witness has filed with this Committee all the information they have asked for and they are now trying to get him to go out of the House and make up a statement to-night. I think the remark of Mr. Bell is entirely uncalled for in going after the witness that way and asking him if he will answer a question which he asked. Mr. Ernst was asking a question at the same time; he had the floor, and Mr. Bell apparently asked the question sitting down. The witness cannot answer two or three questions at once, and he is certainly not entitled to the bawling out that he got.

Mr. Ross (*Kingston*): Have we the right to ask for any information that we require?

The ACTING CHAIRMAN: Most certainly.

Mr. BELL (*Hamilton*): I asked the witness a question, and I saw no reason why it should not be answered, and it was most discourteous on his part not to answer.

(To witness) The next time I ask you a question, please be good enough to answer it.

The WITNESS: But I do not intend to be bawled out like that.

Mr. Ross (*Kingston*): The witness has no right to say that.

Mr. ILSLEY: He has.

The ACTING CHAIRMAN: Order.

Mr. ILSLEY: That man is a human being—

Mr. Ross (*Kingston*): The man is here to give evidence.

The ACTING CHAIRMAN: The witness will have to answer the questions. Proceed, Mr. Ernst.

Mr. ERNST: I will explain my motive quite frankly to the Committee. Under the contract, Mr. MacMillan was bound to pay wages, and was bound to supply certain articles, and I want to know what the cost of the wages and the articles was. I know of no other method of arriving at the gross profits.

The ACTING CHAIRMAN: You tell me that you cannot get that information from the vouchers?

Mr. ERNST: I do not think I can, from the cursory examination I gave them this morning.

The ACTING CHAIRMAN: What further explanation do you wish from this witness?

Mr. ERNST: He is familiar with the transactions; he is the bookkeeper and should know. I object to a balance sheet such as this coming forward which shows a margin of profit which the witness frankly admits is quite incorrect.

Mr. POWER: He did not admit anything of the kind. We have no objection to Mr. Ernst's questions, even to his being a little loud in his questions, but I suggest that he should not put statements into the mouth of the witness which he did not make. We have certainly given him every latitude to-day.

Mr. ILSLEY: The statement showed the profit of 15 per cent. An allowance is made for risk. That is all the statement proposed to show, and every witness has admitted that they applied for insurance and could not get insurance, and, therefore, they carried their own insurance.

The ACTING CHAIRMAN: The question is asked for further information regarding certain items that cannot be found in the vouchers.

Hon. Mr. MANION: This witness was brought here for the purpose of supplying information that Mr. MacMillan could not give the Committee. It is his duty to give us any information with which he is familiar. He is the bookkeeper of the company, and he should not take the attitude that he has taken at the present time. Furthermore the witness is not showing the respect that is due to this Committee when he is puffing away at a cigarette when he is answering these questions. I object to the witness puffing through a cigarette and answering his questions through a cigarette. Mr. Ernst has the courtesy to lay down his cigar when he is asking the questions. I do object to the witness's contempt for the Committee.

Mr. ERNST: I was asking the witness if he will be able to supply that information to the Committee.

The WITNESS: To make up a statement?

Mr. ERNST: Showing those particular items.

Mr. ILSLEY: What are the items?

Mr. ERNST: Wages, rubber boots, oilskins, oil hats and carpenters' tools.

The WITNESS: It is all shown on the statement of supplies.

By Mr. Ernst:

Q. No, I am afraid it is not. For instance, if a man was supplied with a pair of overalls, they were charged against him, were they not?—A. Yes.

Q. And recovered from his wages?—A. Yes.

Q. But if he was supplied with oilskins no charge was made unless he failed to return them?—A. Absolutely.

Q. And carpenters' tools with which he was supplied, no charge was made unless he failed to return them?—A. There was no charge against him for tools at all.

Q. If the tools were lost?—A. There was no charge.

Q. But with respect to every other item except oilskins, rubber boots, oil hats and carpenters' tools, whenever an item was supplied him of any kind it was charged against his account?—A. When a man bought merchandise I charged him with the amount given me by his foreman.

Q. Tobacco was a merchandise, was it not?—A. Yes, sir.

Q. And cigarettes were a merchandise?—A. Cigarettes was a merchandise, yes, sir.

Q. And overalls were a merchandise?—A. Yes.

Q. And gloves were a merchandise?—A. Yes.

Q. In fact, everything except the articles which I have enumerated?—A. Yes.

Mr. ERNST: You see, Mr. Chairman, the statement given includes all those articles which represented really no outlay except perhaps an interest charge which was recovered in the way of a profit.

The WITNESS: There is a credit of \$1,472.19.

By Mr. Power:

Q. Is there any credit anywhere for merchandise returned?—A. No, there is not. The merchandise came back and Mr. MacMillan sold it without my knowledge.

By Mr. Ernst:

Q. So that there is no credit for that?—A. No.

Q. And whatever that realized has to be deducted?—A. \$80.

Q. The total?—A. \$80.

Q. You are sure that all the merchandise was sold that came back?—A. I am quite sure it was. I am not positive.

Q. Now, Mr. Walker, would you turn up the general books of the company relating to this transaction?—A. To the \$80?

Q. No, the whole transaction. Have you got the books there?—A. I have them in front of me.

Q. Will you turn up your merchandise account?—A. Sold to the men?

Q. No, the general merchandise account in connection with the expedition. Have you got one?—A. No.

Q. You only have it in connection with each individual man, as sold?—A. Yes.

Q. Have you one in connection with the merchandise purchased?—A. No, I have not.

Q. Will you turn up your ledger account for George McKay? May I see the account, Mr. Walker? This ledger was kept by you, Mr. Walker?—A. Yes, sir.

Q. And the entries are in your own hand?—A. Not all of them.

Q. Who else made entries in the ledger?—A. Mr. MacNearney.

Q. Mr. MacNearney is a bookkeeper occasionally too, is he?—A. Sometimes.

Q. Can you tell, of your own knowledge, what rate of pay George McKay received from Mr. MacMillan?—A. I cannot without the book. \$150 a month.

Q. He was what, a carpenter?—A. A carpenter.

Q. Did that rate of wages prevail during the entire time that he was absent from Halifax?—A. In accordance with the agreement signed by him from the day he left Halifax until the day he returned.

Q. And was that the basis on which he was paid?—A. Yes, that was the basis on which he was paid.

Q. From the date he left Halifax?—A. Until he returned to Halifax.

Q. Between what dates?—A. The 17th of July, I think it was, until the 28th of November.

Q. The 26th I find he returned.

By Mr. Power:

Q. Look at your book?—A. He was paid for 23 working days.

By Mr. Ernst:

Q. In what month?—A. In November.

Q. I want to examine this particular account for a minute. Do I understand that George McKay, carpenter, was paid \$150 a month?—A. Yes.

Q. From the 17th of July to the 26th of November?—A. Whatever day he returned to Halifax.

Q. That was the date of his return?—A. Yes, I think that is right.

Q. And that \$150 a month covered what?—A. Covered his salary.

Q. For what, Sundays or working days?—A. Per calendar month.

Q. Working days. How many days did you pay him for in November?—A. I paid him 23/26 at \$150.

Q. Reckoned on the basis of 26 working days per month?—A. Yes.

Q. And that is the way his wages were reckoned throughout?—A. He was paid by the month for the month of August, one month; for the month of September, one month; for the month of October, one month.

Q. On the basis of 26 days per working month?—A. He was paid the calendar month.

Q. Did George McKay work any Sundays while he was at Hudson Strait according to the records?—A. I cannot say whether he worked or not.

Q. Did you have to do with the payment of the overtime accounts?—A. I paid them.

Q. And you made out the cheques?—A. I made out the cheques.

Q. From your knowledge, when Sunday was worked, was it charged as overtime or not?—A. The overtime that I paid was given me by the Department timekeeper.

Q. Including any Sundays?—A. Well, our contract—any time for Sunday would be overtime.

Q. And the men received wages for overtime?—A. They received—

Q. Wages for Sunday as overtime when they worked?—A. Yes, as submitted by the Department.

Q. And if they did not work on Sunday they received nothing extra?—A. No.

Q. So that except the overtime, Mr. McKay received no wages for Sundays?—A. He was paid by the month.

Q. Working days?—A. No.

Mr. ILSLEY: That is meaningless. When a man is paid by the month he is not paid on a daily basis at all.

Mr. ERNST: If my hon. friend will bide his soul in patience he will have an opportunity.

By Mr. Ernst:

Q. I understood you to say that when Sundays were worked by a man he was paid for Sundays overtime?—A. He was paid the overtime allowed by the Department.

Q. Yes, and it went to the man?—A. It went to the man.

Q. And was not included in his \$150?—A. No.

Q. And in order to earn his \$150 he had to work six days at ten hours each day in the week?—A. He had to work seven days if he was called on. He was hired by the month, the number of days in the month.

Q. Were you familiar with the contracts into which they entered?—A. Well, I have seen them two or three times. I do not remember all that is in them.

Q. Do you contend that the \$150 a month covered Sundays as well?—A. Yes, a calendar month.

Q. Well, why were the men paid extra in that event, when they worked on Sundays?—A. That was according to our arrangement with the department.

Q. In other words, you did not bind the men to work on Sunday without being paid overtime?—A. Well, I was not there when the contracts were signed.

Q. I am asking you that in reckoning the accounts?—A. Well, I paid them for a month if they worked a month, or a fraction of a month, and any overtime that was given to me by the department went to the men.

Q. And if they worked on Sunday you paid them extra?—A. Paid them the overtime allowed by the department.

Q. In other words, you did not require the men to work on Sundays for their \$125 or \$150 a month?—A. I cannot answer that question.

Q. In paying the men for November, do I understand you to say that three Sundays were deducted; you paid 23 working days?—A. 23/26.

Q. In other words, you divided 26—A. Into \$150.

Q. To get the datal rate?—A. And multiplied by twenty-three.

Q. And that represents wages paid them for the month of November?—A. Yes.

Q. At what datal rate was George McKay paid for November?—A. \$5.78.

Q. That is for carpenters?—A. Yes.

Q. With three Sundays excluded in the calculation?—A. No, I would not say the Sundays were excluded.

Q. Well, you paid for 23 days in November?—A. Yes.

Q. When did the men come back?—A. November 26th.

Q. Then, you excluded the Sundays in reckoning it?—A. If I added three more days to that that would make a full month.

Q. You excluded the Sundays then in reckoning it. You used 26 days as the basis, did you not?—A. Yes.

Q. 26 working days?—A. Yes. It would work out similar either way.

By Mr. Power:

Q. Would you explain that, Mr. Walker? You say it would work out the same either way.—A. Well, you can use 30 days as a basis.

Q. If you use 30 as a basis, what do you arrive at?—A. 26/30.

Q. Instead of 23/26, and it would work out to the same thing? You tell us positively that these men were paid on a monthly rate?—A. Yes.

By Mr. Ernst:

Q. So that the datal rate throughout on which you reckoned for George McKay was \$5.78, if it were reduced to a datal rate?—A. \$5.78.

Q. If reducing George McKay's wages throughout to a datal rate, it would make his datal rate \$5.78?—A. Yes.

Q. Not counting Sundays?—A. Sundays included in it.

Q. No, you reckoned on the basis of 26 working days per month?—A. Right.

Mr. POWER: He said Sundays included.

Mr. ERNST: Just one minute. I am entitled to pursue this as far as I like.

Mr. POWER: Let him give his answer?

Mr. ERNST: He has given his answer.

By Mr. Ernst:

Q. When you reckoned that calculation you did not include Sundays in your reckoning, is that not correct?—A. Sundays were included. That is the way I figured it.

Q. How, including Sundays, do you reckon on the basis of 26 days to the month?—A. Oh, I could use 30.

Q. But you told me you used 26?—A. I did say 26, yes.

Q. Then, you did not include Sundays?—A. No, I did not include Sundays.

Q. Then, applying your calculation, and excluding Sundays, the datal rate throughout was \$5.78?—A. For November?

Q. Throughout the whole period if it was reduced to a datal rate?—A. Yes.

Q. Now, let us take William Smarden; turn up his account. Between what dates was William Smarden paid?—A. July till the 23rd of November. In November he got the same rate as McKay.

Q. From what date in July till what date in November does your ledger show him to be paid?—A. There is an advance to him on the 15th of July of \$40.

Q. I am asking the date on which you reckoned his wages, from what date in July, to what date in November?—A. July one half month.

Q. To the 23rd of November?—A. Well, it was 23/26.

Q. I see in November, on the same basis?—A. Yes.

Q. What was Smarden?—A. A carpenter.

Q. And his wages would be the same as McKay's?—A. It would work out the same.

Q. Work out on the same basis?—A. Yes.

Q. Then, Joseph Hennessy? From what date to what date was Joseph Hennessy paid?—A. Wages in July \$72.58.

Q. \$72.50 or \$72.58?—A. \$72.58.

Q. For what period in July was he paid?—A. The same period.

Q. A half month?—A. 15/31.

Q. You reckoned that on the basis of 31, did you?—A. Yes.

Q. And you paid him for 15/31 in July?—A. Yes.

Q. And is there any difference in reckoning in that case?

By Mr. Power:

Q. Is there any difference—

Mr. ERNST: Just one minute.

Mr. POWER: I am entitled to ask that.

Mr. ERNST: I am surely entitled to an answer to my question before my friend butts in with a question.

Mr. POWER: I am going to ask that question. Is there any difference? The witness has told us that there is no difference. I want to know that again.

By Mr. Power:

Q. Is there any difference?—A. There is a difference of a few cents a day. I will tell you in a minute.

Q. Let the witness work it out and see about what we are scrapping. We are scrapping over about eight cents a day.

Mr. ERNST: We are not scrapping about eight cents a day, as my hon. friend will find out.

Mr. POWER: Absolutely all we are scrapping about.

Mr. ILSLEY: It has taken weeks to find that out. I think my friend should state what it is he hopes to show. He has been fishing here for several weeks.

Mr. POWER: The fishing season is open outside.

The WITNESS: It is \$4.84.

By Mr. Ernst:

Q. The rate of wages paid?—A. Including Sundays; he was paid for Sundays.

Q. As distinct from the others?—A. No, there is no distinction. I did not work all those out.

Q. Did you work this particular one out? Have you anything to show who worked it?—A. I have not.

Q. How do you know you worked it out on the basis of 15/31?—A. That is the way it worked out.

Q. Did you work it out personally? How do you know you worked this one out?—A. I have been figuring it out; the figures will show that it is worked out on that basis.

Q. Well Mr. Hennessy was paid for 15 days in July?—A. 15/31.

Q. Up to what period was Mr. Hennessy paid?—A. He came back in November.

Q. Yes, and how many days was he paid for in November?—A. No days shown.

Q. No days shown?—A. No.

Q. Will you check that with the amount paid Mr. McKay and see if it is the same?—A. \$6.86 difference.

Q. In favour of which one?—A. In favour of McKay.

Q. Mr. McKay received more?—A. Yes.

Q. Why the deduction from Hennessy? What was it?—A. It is no deduction; it was the way it was worked out.

Q. Well, you paid Hennessy \$6.86 less than you did McKay.—A. Yes.

Q. You paid him less than 23 days in November.—A. We paid him based on the 30 days.

Q. And why the difference in calculation?—A. Well, as I said, I did not calculate them all. I had help.

Q. Then, William Mayo—

By Mr. Bothwell:

Q. What is the actual amount paid to McKay in that month?—A. \$125.84.

Q. And what is the actual amount paid to this fellow?—A. \$132.70. The difference is \$6.86.

By Mr. Power:

Q. Before you leave Hennessy, will you tell just what was paid to him, and what deductions were made from his salary?—A. July 15th, \$25 advanced.

Q. That is before he left?—A. Yes.

Q. Next?—A. July 31st, \$72.58.

Q. To whom was that paid?—A. That is a credit. August 1st, Cheque No. 462, to Mrs. S. Hennessy, \$75. August 15th, Cheque No. 556, \$75.

By hon. Mr. Manion:

Q. Was that last cheque all for July, or were those carried into August?—
A. To August 1st.

Q. The first three cheques?—A. July 15th, Cheque 279, \$25, that was an advance before the men went away. Then July 31st, wages \$72.58, and August 1st, cheque to Mrs. Sarah Hennessy, \$75.

By Mr. Ernst:

Q. Are you sure sure that is August 1st or August 15th?—A. August 1st.

By Hon. Mr. Manion:

Q. That must have been an advance on the August wages, because it makes too much for July?—A. Yes, an advance on the August wage.

By Mr. Power:

Q. What is the next item there?—A. August 31st, wages one month, \$150.

Q. August 31st, wages?—A. For one month.

Q. That was not paid to Mrs. Hennessy?—A. No, that is a credit.

Q. Apparently this man did not have a kind of separation allowance, did he?—A. Yes, he left an order. They signed orders for payments to dependents.

Q. And in this case he did not sign to pay the full amount of his wages?—
A. He signed to pay over the full amount of his wages.

Q. Not to his dependents?—A. Yes, to his dependents.

By Mr. Bell (Hamilton):

Q. All except the advance?—A. Yes. September 1, cheque to Mrs. Hennessy, \$75. September 15, cheque to Mrs. Hennessy, \$75. September 30, cheque to Mrs. Hennessy, \$75. September 30, wages one month, \$150. October 15, cheque to Mrs. Hennessy, \$75. November 28, to cash, \$25; suit of oilskins, \$10; December 2, suit of oilskins returned, a credit of \$10.

By Mr. Ernst:

Q. You are reading both debits and credits?—A. Yes.

Q. That \$72.58 which you read was a credit?—A. Yes.

Q. Or a debit to yourself?—A. Yes. December 2, wages month of November, \$125.84. December 9, to merchandise, \$16.15. December 9, wages, overtime, 164 hours at 70 cents, \$140.80.

Q. And a cheque was given for \$114.18?—A. That is the amount it came to.

Q. For what did he receive a cheque?—A. I said wages, overtime, 164 hours at 70 cents, \$114.80. December 9, cheque No. 447, \$257.07. He was overpaid \$10.

By Mr. Power:

Q. Did you get it back?—A. Not yet.

Q. What does that balance up? What was the total amount paid?—
A. \$783.22.

Q. Being \$10 more than he was entitled to, according to your books?—
A. Yes.

By Mr. Ernst:

Q. Of which how much was overtime?—A. \$114.80.

By Mr. Power:

Q. Give me the same statement with reference to MacKay?—A. July 30, cheque to Mrs. MacKay, \$25; August 15, cheque to Mrs. MacKay, \$25; September 1, cheque to Mrs. MacKay, \$25; September 15, cheque to Mrs. MacKay, \$25; September 30, cheque to Mrs. MacKay, \$25; October 15, cheque to Mrs.

MacKay, \$25; November 2, cheque to Mrs. MacKay, \$25; November 19, cheque to Mrs. MacKay, \$25; November 25, cash, \$25; November 30, store account, \$34.31; November 30, suit of oilskins, \$10; November 30, credit for oilskins returned, \$10; wages, July, \$75; August, \$150; September, \$150; October, \$150; November, \$132.70; November 30, cheque No. 424, \$398.39; December 2, overtime, 199 hours at 70 cents, \$139.30; December 2, cheque No. 445, \$139.30; total amount paid, \$870.

Q. Where did you get this overtime—the number of hours?—A. From the Department.

By Mr. Ernst:

Q. Will you turn to A. Henderson now? In what capacity was he employed?—A. Carpenter.

Q. Between what dates was he paid?—A. Paid 15/31 for the month of July, and paid 24/30 for the month of November. The months in between, he was paid for the full month, \$150.

Q. What have you to show that it was 24/30?—A. The figures are here.

Q. What was he paid in November?—A. \$125.84.

Q. And what was the monthly rate?—A. \$150.

Q. And what was he paid in July?—A. \$72.58.

By Mr. Power:

Q. Will you give his full account?—A. July 15th, advance \$25; July 18th, cheque to C. M. Saunders, \$7.50.

Q. Who is C. M. Saunders?—A. Somebody he owed a bill to, and we paid it for him. He left an order to pay it. July 30, cheque to Mrs. Florence Richards, \$12.

Q. Who is she?—A. He owed her a board bill.

Q. You acted as bookkeeper for the men who were up at Hudson Straits as well as bookkeeper for Mr. MacMillan?—A. Yes. July 30, cheque to R. A. McLeod, \$25.

Q. Who is he?—A. The Stipendiary Magistrate in Halifax.

By Mr. Bell (Hamilton):

Q. Was he speeding?—A. His wife was in the T.B. Hospital; he had a court order to pay her. July 31, wages, \$72.58; August 15, cheque to R. A. McLeod, \$25; August 15, cheque to Mrs. Richards, \$12; August 31, wages, one month, \$150; September 1, cheque to R. A. McLeod, \$25; September 1, cheque to J. G. Davidson, \$22.50; cheque, September 1st, to Mrs. Florence Richards, \$12; September 15, to R. A. McLeod, \$25; September 15, cheque to Mrs. Florence Richards, \$12; September 30, cheque to R. A. McLeod, \$25; September 30, wages, one month, \$150.

By Hon. Mr. Manion:

Q. I do not follow this. You have added up \$250 in round figures. Where does it come from?

Mr. ERNST: He is giving both the debits and the credits.

Hon. Mr. MANION: During September, after paying \$25, \$22.50, \$25, \$12, \$25, then he gives wages \$150.

Mr. POWER: I told you Mr. MacMillan was a generous man.

By Mr. Power:

Q. Have you finished with this account?—A. Not yet. October 15, cheque to R. A. McLeod, \$25; charge for photograph \$3. The men had photographs taken before they went away and left orders to charge them 50 cents apiece for them; there are about 25 in the office yet; we lost money on them.

Q. Why did you charge this lad \$3 if they only cost 50 cents?—A. He had six of them.

Q. Did you have to look after the mailing of these photographs to his six sweethearts—A. I did.

Mr. BELL (Hamilton): Evidently he franked them, because there is no charge for postage.

By Mr. Power:

Q. What is the next item?—A. Wages, October, \$150; November 2nd, cheque to R. A. McLeod, \$25; November 19th, cheque to R. A. McLeod, \$25; November 25, cash, \$25; November 28th, cheque to A. Neiforth, \$12.

Q. What did he do for that money?—A. He owed it to him. November 28th, store account, \$31.28. Then I sold him a saw for \$2.50.

By Mr. Bell (Hamilton):

Q. What was it worth?—A. About \$5.50.

By Mr. Ernst:

Q. Have you finished with that?—A. Not yet. November 28th, wages November, \$125.84; November 28th, cheque, \$271.64; December 2nd, overtime, 194 hours at 70 cents, \$135.80; suit of oilskins, \$10; he returned the oilskins but kept the boots and I credited him with \$6.50; December 2nd, cheque, \$132.30.

Q. What is the total?—A. \$790.72.

Q. What was the monthly rate at which this man was paid?—A. \$150.

Q. How did you say you reckoned the November wages of that man?—A. 24/30ths.

Q. Of what?—A. \$150.

Q. What do you make it?—A. \$125.84.

Q. Will you reckon it again and see if you were not mistaken?—A. It should be \$120.

Q. Will you reckon it on the same basis as you reckoned the others?—A. 23/26ths?

Mr. POWER: I suppose for the purpose of checking Mr. Walker's accounting, we can put all these little sheets of paper upon which he is figuring into the record?

Mr. ERNST: No, I think my hon. friend can keep him straight.

Mr. ILSLEY: That is true. He is being asked to do a lot of figuring before the Committee. His figures may be wrong.

Mr. POWER: He is very nervous and shy. Mr. Manion has admitted that. He is smoking cigarettes continually to control his nerves.

Hon. Mr. MANION: Yes, but this should be 23/26ths.

The WITNESS: \$138.24.

Mr. ILSLEY: That is wrong.

By Mr. Ernst:

Q. That is for 23/26ths?—A. No; pardon me. I was working on 24/26ths.

Mr. BEAUBIEN: There is a case. If those figures were put in the record they would be wrong.

Mr. ILSLEY: I do not think it is fair to ask him to do a lot of figuring.

Mr. ERNST: I feel he would do better if my hon. friend would not talk so much while he is doing it.

The ACTING CHAIRMAN: What is your objection?

Mr. ILSLEY: The witness is being asked to make computations in the presence of the Committee. He is here to testify as to the facts, and every member of the Committee can make his own computation. You might go on and make these questions harder and harder, and bye-and-bye you will be putting an impossible task upon him. The witness is not here to make computations before the Committee; he is here to testify as to the facts and I certainly put that forward as an objection.

The ACTING CHAIRMAN: It may be carried too far.

Mr. ERNST: I am not carrying it too far, Mr. Chairman.

By Mr. Ernst:

Q. What figure did you arrive at?—A. \$132.71.

Q. Which is the basin upon which you paid Mr. MacKay?—A. I thought we were talking about Mr. Henderson.

Q. I am asking you upon which basis you paid Mr. MacKay?—A. I don't know. I will have to look it up. (Referring to book). That is the basis upon which I paid Mr. MacKay.

Q. Then upon what basis did you pay Henderson?—A. On what is in the book—24/30ths.

Q. Have you 24/30ths written there?—A. Yes.

Q. May I see it?—A. Yes.

Q. In whose handwriting is that?—A. Mine.

Q. When was that entry made?—A. When he came home.

Q. At the time you posted the books?—A. Yes.

Q. Will you turn up Mr. G. R. Campbell? What was he?—A. A handy-man.

Q. From what date in July were his wages reckoned?—A. Thirteen days.

Q. Starting on the 18th?—A. I do not know what day he started. That is all that is here.

Q. What was his monthly rate?—A. \$125 a month.

Q. What was he paid for July?—A. \$62.40.

Q. Reckoned on what basis in this case?—A. I cannot say; it is not here.

Q. Up until what period in November was he paid?—A. Paid 23/26ths.

Q. In November?—A. Yes.

Q. Amounting to what?—A. \$110.40.

Mr. ERNST: Perhaps we would facilitate matter, if Mr. Power wants it, by having the ledger sheet filed and printed.

Mr. POWER: When you bring up these accounts I want them put on the record.

Mr. ERNST: I am saying that instead of reading all this we could hand it to the reporter and have it inserted in the record at this point.

Mr. POWER: I do not know what I am looking for any more than you do, but I want the information.

Mr. ERNST: I can quite understand my hon. friend not knowing what he is looking for, but if he will sit in this Committee long enough he will find out.

The ACTING CHAIRMAN: Will you repeat your statement about these sheets being put in the record, Mr. Power?

Mr. POWER: I did not make any statement, but I want the full account of the men read.

By Mr. Ernst:

Q. At what datal rate was the man paid?

Mr. ILSLEY: I object to that. It all depends upon whether or not you are speaking of working days. If you put the question "What does it work out per day," that would be all right, but your question is ambiguous as it is.

By Mr. Ernst:

Q. You paid him on the basis of working days?—A. 23/26ths.

Q. You paid him on the basis of 26 working days in the month?—A. Yes.

Mr. ILSLEY: He has said a dozen times that he was taking different proportions; he was not taking it per day.

By Mr. Ernst:

Q. This was one of the men who came home on November 26th?—A. Yes.

Q. He arrived home about ten o'clock on the night of the 26th of November?—A. Yes.

By Hon. Mr. Manion:

Q. May I ask one question to clear this up, because it puzzles me? You mentioned that one man was working at \$125 a month, and he gets \$62.50, which is obviously half a month. You said that he worked 13 days, and you credited him with 13 days; therefore, it was one-half a month of 26 days?—A. In this case, yes.

Q. Have you not taken it always as your method when you are paying these men to use the 26-day month?—A. No; we pay our men by the calendar month.

Q. You did not when you took the 26 days.—A. I did not do all this work myself; I had help.

Q. I admit ordinary errors, but there is quite a difference in these figures, and what I am trying to get at is, did you take 26 days in some cases?—A. In some cases. In this case I did.

By Mr. Ilsley:

Q. And in some cases you did not?—A. No.

Q. And you took 31 days as the denominator of your fraction?—A. Yes.

Q. In the case my hon. friend was speaking about how many days was the man in your employ during July?—A. 16 days.

Q. If you take 16/31 you will get practically the same thing, will you not?—A. Practically the same thing as if it were 13/26.

Q. Then you are paying him for Sundays?—A. It works out within a few cents.

Q. It does not make any difference whether you take the working days as 26 or all the days in the month—31?—A. No, only a few cents.

Q. And therefore it cannot be said that you were paying him for Sundays or not paying him for Sundays on that basis?—A. No.

Q. You were paying him on a monthly basis and getting the best proportion you could; sometimes you used the 26, and in that case you used as your numerator the working days?—A. In that case I used 31.

Q. In that case you used the number of days in the month as the numerator?—A. Yes.

Mr. ERNST: I think Mr. Ilsley is giving his evidence quite successfully.

By Mr. Ernst:

Q. Mr. Walker, how many days did you say that this man was in Mr. MacMillan's employ as shown by the books, in July?—A. 17.

Q. What is the date upon which he entered the employ?—A. He went away on the boat on the 17th of the month.

Q. From the 17th to the 31st?—A. Yes.

By Mr. Beaubien:

Q. You paid \$62.50?—A. \$62.40.

Q. That would be at the rate of \$125 a month.

By Mr. Ernst:

Q. In other words, there would be 15 calendar days in July?—A. Yes.

Q. In which he was in Mr. MacMillan's employ?—A. Yes.

Q. Fifteen calendar days in July?—A. Yes.

MR. ILSLEY: Then he was slightly overpaid.

By Mr. Beaubien:

Q. This man was getting \$125 a month?—A. Yes.

Q. You paid \$62.40?—A. Yes.

MR. ILSLEY: You paid him fifteen and one half thirty-firsts! If you look through the ledger, there is a man who got fifteen thirty-firsts.

By Mr. Ernst:

Q. Mr. Walker, would you indicate on what basis you paid him in November?—A. 22/26ths.

Q. In November?—A. Yes.

MR. POWER: Would you read that statement into the record, if you please?

MR. ERNST: The only way to get it accurately is to hand it to the reporter. I am only suggesting that to get it on the record with absolutely accuracy is to give it to the stenographer.

WITNESS: (Reading):

Date	Description	Debits	Credits
July 30—By	wages, 13 days.. . . .	....	\$62 40
July 30—To	cheque—Mrs. R. Hayter	\$62 50	....
Aug. 15—To	cheque, Mrs. R. Hayter.	62 50	....
Aug. 31—By	wages, 1 month.. . . .	....	125 00
Sept. 1—To	cheque, Mrs. R. Hayter.	62 50	....
Sept. 15—To	cheque, Mrs. R. Hayter.	62 50	....
Sept. 30—By	wages, 1 month.. . . .	....	125 00
Sept. 30—To	cheque, Mrs. R. Hayter.	62 50	....
Oct. 15—To	cheque, Mrs. R. Hayter.	62 50	....
Oct. 31—By	wages, 1 month.. . . .	....	125 00
Nov. 25—To	cash.. . . .	25 00	....
Nov. 29—To	suit oilskins	10 00	....
Nov. 29—By	suit oilskins returned ..	....	10 00
Nov. 29—To	store account.. . . .	19 40	....
Nov. 29—To	cheque, F. C. Campbell.	51 03	....
Nov. 29—By	wages.. . . .	....	110 40
Nov. 29—To	cheque	77 37	....
Dec. 2—By	wages, overtime 182 hrs. at .55 .. . . .	....	100 10
Dec. 2—To	1½ days' sickness.. . . .	7 20	....
Dec. 2—To	cheque	92 90	....
		\$657 90	\$657 90

MR. POWER: Was Mrs. Hayter the lady to whom he assigned his pay?

THE WITNESS: She was the lady to whom he assigned his money.

By Mr. Power:

Q. This man was paid at a monthly rate of how much?—A. \$125 per month.

THE ACTING CHAIRMAN: Any more questions?

MR. ERNST: Yes. Proceed to Savage, please.

The CHAIRMAN: Is it your intention to go through the whole list, Mr. Ernst?
Mr. ERNST: No, Mr. Chairman, there are only four more.

By Mr. Ernst:

Q. Take C. Savage?—A. Labour, \$100 per month.

Q. He was a labourer engaged at \$100 per month?—A. Yes.

Q. He was paid between what dates by Mr. MacMillan, monthly?—A. July wages \$48.39.

By Mr. Beaubien:

Q. How did you figure that out?—A. I do not know. There are no details here.

Q. Did you figure it out on a thirty days' or a twenty-three day basis?

Mr. ERNST: Thirty days would be a good way to figure it in July.

Mr. LAWSON: They all started on the same date.

Mr. ILSLEY: Is there a question before the witness?

By Mr. Ernst:

Q. He was paid until what date, he left the employ of Mr. MacMillan at what date?—A. It was November when he came there.

Q. November 26th?—A. It is just here as November.

Q. He was one of those who came home on the 26th?—A. Yes.

Q. What was he paid for the month of November?—A. \$86.58.

Q. Have you any note to show how it was reckoned?—A. No, there is nothing here at all.

Mr. ERNST: You want this statement in detail?

Mr. POWER: I do.

By Mr. Ernst:

Q. Go ahead?—A. (Reading) July 15th, advance in wages—\$20; July 30th, cheque to Mrs. E. D. Savage, \$50; August 15th, cheque to Mrs. E. D. Savage, \$50; September 1st, cheque to Mrs. E. D. Savage, \$50; September 15th, cheque to Mrs. E. D. Savage, \$50; September 30th, cheque to Mrs. E. D. Savage, \$50; October 15th, cheque to Mrs. E. D. Savage, \$50; November 25th, cash, \$25; November 28th, store account, \$21.40; November 28th, Oilskins, \$10; November 28th, Oilskins returned, a credit, \$40; Wages for July \$48.39; August \$100; September \$100; October \$100; November \$86.58. November 28th to cheque \$68.57; December 2nd, overtime, 191½ hours at 0.50, a credit of \$98.75; December 2nd, to cheque, \$95.75. A total of \$540.72.

Q. Proceed now to A. Nieforth. What is he?—A. A carpenter.

Q. What was his monthly rate?—A. \$150.

Q. Between what dates do your books show him to have been in Mr. MacMillan's employ?—A. July 15/31 and November, \$125.84.

Q. Any entry as to any number of days in July in there?—A. 15/31.

Q. Is that July?

By Mr. Ilsley:

Q. Didn't you mean in November, \$125.84?—A. Yes.

Mr. BEAUBIEN: Did you overpay that man, starting him on the 17th?

By Mr. Ernst:

Q. It was 15 days.

By Mr. Power:

Q. Give us the items.—A. (Reading):

Aug. 1—To cheque No. 411 Rosie Neiforth.	\$ 50 00
Aug. 15—To cheque No. 570 Rosie Neiforth.	50 00
Sept. 1—To cheque No. 693 Rosie Neiforth.	50 00
Sept. 15—To cheque No. 818 Rosie Neiforth.	50 00
Sept. 30—To cheque No. 944 Rosie Neiforth.	50 00
Oct. 15—To cheque A105 Rosie Neiforth.	50 00
Oct. 24—To store acc't. Butler's book..	18 25
Oct. 25—To Photos..	1 00
Oct. 25—Oil skin boots and hat..	10 00
Oct. 25—Store a/c Myers..	3 35

By wages:

July 15/31..		\$ 72 58
Aug..		150 00
Sept..		150 00
Oct..		150 00
Nov. 2—To cheque A300 Rosie Nieforth..	50 00	
Nov. 21—To cheque A371 Rosie Nieforth..	50 00	
Nov. 25—To cash..	25 00	
Wages: Nov..		125 84
Nov. 28—To cheque A411..	190 82	
Nov. 28—To cheque A412 Cr. on Oilskins.	10 00	10 00
Dec. 2—Overtime, 180 hrs. at .70c..		126 00
To cheque No. A433..	126 00	

Totals..	\$784 42	\$784 42
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By Mr. Ernst:

- Q. S. Kelly. In what capacity was he employed?—A. Handyman.
 Q. And what monthly rate?—A. \$125.
 Q. And he was paid for what period in July?—A. He was paid 62.40.
 Q. In July?—A. Yes.
 Q. And in November what was he paid?—A. \$110.40.
 Q. Any notation as to how he reckoned that?—A. No.
 Q. None?—A. No.

By Mr. Power:

Q. Will you give us the items?—A. (Reading):

July 15—To cheque No. 287..	\$ 25 00	
July 31—By wages ..		\$ 62 40
Aug. 1—To cheque No. 410 Mrs. L. Kelly..	50 00	
Aug. 15—To cheque No. 561 Mrs. L. Kelly.	50 00	
Aug. 31—By wages..		\$125 00
Sept. 1—To cheque No. 707 Mrs. L. Kelly..	50 00	
Sept. 15—To cheque No. 806 Mrs. L. Kelly..	50 00	
Sept. 30—To cheque No. 935 Mrs. L. Kelly..	50 00	
Sept. 30—By wages..		125 00
Oct. 15—To cheque No. A96 Mrs. L. Kelly..	50 00	
Oct. By wages..		125 00
Oct. 30—To store account..	20 05	
Oct. 30—To photos..	1 00	
Nov. 2—To cheque. No. A297 Mrs. L. Kelly.	50 00	
Nov. By wages..		110 40
By wages Overtime 191 hours at 55c..		105 05

Nov. 19—Cheque A368..	50 00	
Nov. 25—Cash per D. Moriarity.. . . .	25 00	
Nov. 30—Oilskins..	10 00	
Nov. 30—Cheque A426..	66 75	
Dec. 2—Cheque A439..	105 05	
		<hr/>
	\$652 85	\$652 85

By Mr. Ernst:

Q. By George Keating,—you have his account?—A. Yes.

Q. What period in July was he paid?—A. \$72.58.

Q. In what capacity was he employed?—A. Carpenter.

By Mr. Lawson:

Q. At what rate was he paid?—A. \$150.00.

By Mr. Ernst:

Q. For what period in November was he paid?—A. \$125.84.

Q. And he drew wages during the intervening period, that is during August, September, and October, at the rate of \$150 a month?—A. Yes, three months.

Q. And how much overtime?—A. \$107.80.

By Mr. Power:

Q. What are the items?—A. (Reading):

July 30 to ch. No. 314, W. B. Moriarity.. . . . \$75.00

Q. Who was he?—A. A brother to Denis Moriarity, who was Superintendent.

Q. Why did you pay Denis' brother that?—A. I do not know. There was an order to pay him.

Q. Is he the person to whom the separation allowance was made?—A. There was no separation allowance. That was the only payment that was made.

Q. Go on.—A. (Reading):

July 31—By wages..	\$ 72 58	
Aug. 31—By wages..	150 00	
Sept. 30—By wages..	150 00	
Oct. 24—To Photos..	\$ 1 00	
Oct. 24—To suit oilskins..	10 00	
Oct. 24—To Store Account..	4 65	
Nov. 25—To cash..	25 00	
Oct. 31—By wages..	150 00	
Nov. —By wages..	125 84	
Nov. 28—To cheque A.409..	542 07	
Dec. 2—To cheque A.460..	107 80	
Dec. 2—By overtime 154 hrs. at 70c	107 80	
Nov. 28—Store Account Campbell.	0 70	
Nov. 28—Credit on Oilskins	10 00	
	<hr/>	
	\$766 22	\$766 22

By Mr. Ernst:

Q. F. C. Campbell,—in what capacity was he employed?—A. Foreman.

Q. At what rate?—A. \$8 per working day.

Q. Per working day?—A. Yes.

Q. Would you tell us for how many days he was paid in July?—A. Thirteen days.

Q. A total of how much?—A. \$104.

Q. For how many days was he paid in November?—A. Twenty-four days.

Q. At what rate?—A. At \$8—\$192.

Q. He was one of the men who entered Mr. MacMillan's employ on the 17th July?—A. Yes, as far as I know.

Q. And terminated on the 26th November?—A. He came home on the 26th November.

Q. Perhaps Mr. Power might like to read his sheet?

By Mr. Power:

Q. Go ahead.—A. (Reading):

July 14—To cheque No. 265.	\$120 00
(advance on wages)	
July 31—By wages 13 days at \$8.	104 00
Aug. 1—To cheque No. 463, Mrs. R. Hayter ..	100 00

Q. Is that the same lady who was paid the others?—A. Yes.

Q. By the way, do you remember the name of the other man for whom was paid the separation allowance?—A. I do not know, there are four or five of them here.

Mr. ERNST: G. R. Campbell.

Mr. POWER: Is this a son?

Mr. ERNST: Yes.

By Mr. Power:

Q. There was an assignment to the same person?—A. Yes.

Aug. 15—To cheque No. 546, to Mrs. Rachel Hayter.	\$100 00	.....
Aug. 31—By wages, 27 days at \$8.		216 00
Sept. 1—To cheque No. 670, Mrs. R. Hayter.	100 00	.....
Sept. 15—To cheque No. 791, Mrs. R. Hayter.	100 00	.....
Sept. 30—By wages 26 days at \$8.		208 00
Oct. 1—To cheque No. 921, to Mrs. R. Hayter.	100 00	.....
Oct. 15—To cheque No. A83, to Mrs. R. Hayter.	100 00	.....
Oct. 31—By wages, 26 days at \$8.		208 00
Nov. 30—To photos.	50	.....
Nov. 30—To suit oilskins.	10 00	.....
Nov. 30—To cash.	50 00	.....
Nov. 30—By oilskins returned.		10 00
Nov. 30—To store a/.	28 76	.....
Nov. 30—By wages, 24 days at \$8.		192 00
Nov. 30—To cheque No. A428.	128 74	.....
Dec. 2—By wages, overtime, 203 hours at 80c.		162 40
Dec. 2—To cheque No. A444.	162 40	.....
	<u>\$1,100 40</u>	<u>\$1,100 40</u>

By Mr. Ernst:

Q. Now, while we are here, Mr. Walker, have you any record of the receipts of moneys received from the Government in your books?—A. I have.

By Mr. Bell:

Q. I want to interrupt you there, in connection with that particular account. You were saying this morning, I think, that the accounts that you were able to turn up did not include the accounts of foremen,—was not that right?—A. No.

Mr. ERNST: It was of contracts.

By Mr. Bell:

Q. Contracts of foremen. Is there anything in your ledger from which you are now reading that indicates that the rate at which this particular foreman was paid was arrived at through any contract that is referred to in your entries there?—A. No, there is no contract. As I understood it, the foremen did not sign a contract.

Q. There is nothing there to indicate from whence the authority comes by which he was receiving the eight dollars which your accounts show?—A. No, only Mr. MacMillan told me.

Q. Your ledger entries do not contain a record of it?—A. No.

By Mr. Ernst:

Q. Will you turn up your accounts and tell me for how many days in July you were paid by the government on account of Mr. Campbell?—A. On his account?

Q. Yes.—A. That is not entered up in the ledger.

Q. Have you any copies of the accounts which you submitted?—A. I might have a copy here. I do not know whether there is one here or not.

Q. I find at page 191 of the evidence given before this Committee on the 7th day of May, an account rendered by Mr. MacMillan, the account which was finally paid, three foremen, July 16th to August 3rd inclusive, 19 days at \$8 per day?—A. Yes.

Q. Was Mr. Campbell one of those three foremen?—A. Yes.

Q. And were all the foremen treated similarly in that respect?—A. They were.

Q. Then Mr. MacMillan received 16 days pay on account of Mr. Campbell, from the government, in July, 1927?—A. Yes, 16 days.

Q. Or \$128?—A. Yes.

Q. Will you turn up again and tell us what he paid Mr. Campbell for that period?—A. \$104.

Q. Does that apply to Mr. Myers, or Byers, and the other foremen?—A. Yes.

Q. In each case he received \$128 and paid them \$104?—A. They were paid \$8 per working day.

Q. In each case he received \$128 and paid them \$104?—A. He received that amount from the government.

Q. And paid \$104 to the men?—A. Paid them 13 working days at \$8 per day.

By Mr. Ilsley:

Q. Your account does not show that you paid the men for 16 days, your account to the government?—A. No.

Q. What you got from the government was to be inclusive of your contract and expenses?—A. Yes.

Q. Did you represent at any time that you paid the men, paid Campbell, for instance, \$8 a day for 16 days?—A. No. They were paid that according to the agreement and the contract.

Q. And you considered that what you did with Campbell was a matter between you and Campbell?—A. That was our own business.

Q. You conformed with the clause in the contract, which says that what you got from the government was to be inclusive of your profit and expense?—A. Yes.

Q. And there would have been no profit had you paid the men \$8 for every day you got from the government?—A. No.

By Mr. Ernst:

Q. Did you prepare the letter which appears at page 178 of the Report of May 7th, "Attention Mr. A. Boyle, Chief Accountant:

First with respect to the men's time going up on the Larch which was to be paid by your department over and above the amount of the contract, there may be a discrepancy as to the days. You are aware that I was advised the Larch would sail on a certain date. I ordered them in here and as a matter of fact they were here two days before the boat sailed, and having ordered them in I was under obligation to pay them regardless of when the Larch sailed.

A. Yes, I think I prepared that letter.

Q. Were any of the men paid for the 16th of July, or the 15th?—A. Well, Mr. —

Q. Or the 15th?—A. I cannot say. I was not there at that time, but Mr. MacNearney made disbursements in cash.

Q. Any record of that in your books?—A. No, there is no record.

By Mr. Power:

Q. There is a record of a certain amount of \$500?—A. Yes.

Q. Organization expenses?—A. Yes. That is money that was given to MacNearney.

Q. Is it fair to assume that he may have paid some of these men?—A. Yes, he said so, and I would not question his word.

By Mr. Ilsley:

Q. Some of these men were hanging around for several days?—A. Yes.

Q. And MacNearney was paying them cash out of his pocket?—A. Yes, sir.

By Mr. Ernst:

Q. Have you any knowledge of that personally?—A. Well, I was not there.

Q. And have you any records or books to show any advance made for the 16th of July or the 15th of July?—A. Only what is in the books, that is all.

Q. Can you point to anything there showing that any amount was paid for the 16th of July?—A. Only this money which MacNearney had.

Q. Where is that, I do not see it there?—A. It is in the statement.

Q. But can you show any entry in your book of payments to any individual man?—A. No, I cannot.

By Mr. Ilsley:

Q. You understood that MacNearney was paying those men for the days that they were hanging around there?—A. That is what MacNearney told me.

By Mr. Lawson:

Q. Is there any entry in your books of this \$500 item that was paid to MacNearney?—A. It is in the statement.

Q. Did you hear my question?—A. Yes.

Q. Is there any entry in your books of this \$500 payment to MacNearney?—A. It is charged up to MacNearney in his general account. There is nothing in this ledger.

Q. Is there any entry of it in any book of the business of Mr. MacMillan of Halifax?—A. There is, yes.

Q. Have you that book here?—A. I have not got it here.

Q. It is not available in Ottawa?—A. It is in Halifax.

Mr. LAWSON: Mr. Chairman, I understood that at the last adjournment of the Committee, Mr. MacMillan was going to bring here his books showing all payments of any nature or kind with reference to this Hudson Bay matter, and now apparently it develops that there is a book in which there is an entry, and the book is not here.

Mr. POWER: May I ask the witness to give the explanation?

By Mr. Power:

Q. MacNearney is, I understand, Chief Engineer and General Manager of all Mr. MacMillan's enterprises, or of a number of them?—A. A number of them, yes.

Q. As such, he is permitted to draw in cash, large sums of money?—A. Well, he is given signed blank cheques.

Q. For the general purposes of the concern?—A. Of the business, yes.

Q. And he, I suppose, like all contractors, or foremen working for contractors carries in cash large sums of money?—A. He carries quite a bit of money with him all the time.

Q. To make what are called petty disbursements?—A. If a man is fired on the work he will pay him right off.

Q. He will not pay him by cheque?—A. No, he would pay him by cash.

Q. And during the course of the time when you were organizing this expedition, MacNearney, as usual, had large sums of money?—A. Well, he had to my knowledge, from the cancelled cheques I got back from the bank, marked, "Cash for Hudson Strait."

Mr. ERNST: Mr. Chairman, I object to that evidence on this ground: if that cheque is available it is the only thing competent to give evidence on the subject. If the cheque is in existence at all, it is the only thing that can talk. I must object to evidence being given of the contents of the cheques unless the cheques are produced.

The ACTING CHAIRMAN: Your objection is sustained.

By Mr. Power:

Q. I understand that MacNearney had certain large sums of money for the general disbursement of the MacMillan concern, not only for the Hudson Bay contract, but for other contracts?—A. For different work that we carried on.

Q. And what was he supposed to do with that money?—A. I was not there at the time he had the money.

Q. Well, what does he do with similar sums?—A. He accounts for it in a general way, and any small sums that he cannot account for we give him credit.

Q. He goes to the office and asks for———A. For a cheque. Sometimes he pays with his own personal cheque.

Q. Sometimes these cheques are payable to him, and sometimes they are payable in cash?—A. That is right.

Q. So that he will always have large sums of money necessary to make any small disbursements?—A. Yes.

Q. And does he replace Mr. MacMillan when he is away?—A. Well, he is given blank cheques to carry on the business with.

Q. As far as you know, that is the custom with all contracts is it, to pay a great deal in cash?—A. I know we do, but I cannot say about all contractors.

Q. In connection with this \$500 you assume that MacNearney had \$500 to look after the petty expenses in connection with this expedition?

Mr. LAWSON: No, no, he cannot assume that.

Mr. ERNST: I object to that. It is for the Committee to assume, or not assume, not for the witness. We can draw our own conclusions from the evidence, not the witness.

Mr. Power: I wonder if we are going to make that a general rule. In that case we will not have to question the witness as closely as Mr. Ernst has been doing all the afternoon.

By Mr. Power:

Q. You know that MacNearney drew considerable sums of money during the time he was organizing the Hudson Strait expedition?—A. I have seen it in his general account.

Q. And when you stated this morning that the \$500 to which reference was made by Mr. Ernst and others, was paid, these men might have been paid for this purpose?—A. That was the data supplied me by Mr. MacNearney.

By Mr. Lawson:

Q. Witness, you told my friend, Mr. Power, that Mr. MacNearney, in the ordinary course of business accounted for these moneys which he had received, and that you had knowledge of them as bookkeeper of the firm, is that correct?—A. That is correct.

Q. And as a matter of every day practice in the business that Mr. MacNearney accounted for those amounts; I presume that the amounts expended by him were charged up in the books as against some particular contract or business that you were doing?—A. Yes, there is \$500 charged against this contract.

Q. Again I repeat, did you hear my question? In the ordinary course of business, with all contracts, would Mr. MacNearney give an accounting, or when he would give an accounting, you charged up the items for which he accounted to the respective contracts against which they should be charged?—A. That is correct.

Q. Then, in this case was the \$500 charged up first against this contract?—A. It was charged up in the statement.

Q. Well, when you say "statement," are you referring to some exhibit that was put in here by you this morning?—A. Yes.

Q. Is it charged up in the books of A. S. MacMillan and Company, the ordinary books of account of A. S. MacMillan and Company?—A. I cannot swear as to that.

Q. Who prepared this statement?—A. I did.

Q. And where did you get the items that went into this statement? Did you prepare this statement?—A. I prepared it, yes.

Q. Well, you told me the \$500 was charged in this statement. That is it here, I presume, "Incidental Expenses, \$500"?—A. Yes.

Q. From what did you compile this statement which has been put in this morning as exhibit L-X? Did you compile this from the books of MacMillan and Company?—A. From the books and data supplied me by the engineer, Mr. MacNearney.

Q. So that all the items which appear in this statement, which you put in as L-X this morning, are not a record from the books of A. S. MacMillan and Company?—A. That is a record as far as we can give it. It is the best record we can give.

Q. Are there any items contained in the statement, exhibit X-L, which are not recorded in the books of MacMillan and Company?—A. Yes.

Q. Is the \$500 item, one of the items which is not recorded in the books of MacMillan and Company?—A. It is.

Q. It took us a long time to get at that simple thing. Then, may I follow that with this question: is there to your knowledge any entry in the books of A. S. MacMillan and Company of this item of incidental expenses of \$500?—A. The only answer I could give would be to say that I cannot swear to it.

Q. You do not recollect, is that what you mean?—A. As far as I recollect, there is nothing in the Hudson Strait ledger to show that there was \$500 of money charged up, but money was given to MacNearney and charged to his own personal account.

Q. Well, then, you say you have no recollection of there being any charge in the Hudson Strait ledger of this \$500?—A. No.

Q. Is that correct?—A. That is correct.

Q. Now, then, I come back to the question I asked you. Is there any entry of this \$500 to your knowledge, in any book of account of A. S. MacMillan and Company?—A. I do not remember.

Q. You do not remember?—A. No.

Q. Have you the ledger to which you refer when you say "in this Hudson Strait ledger"?—A. It is right here.

Q. And is there in that ledger a sheet which contains the items chargeable as against the Hudson Strait contract? Is there some special sheet there labelled "Hudson Strait Contract"?—A. Only the individual accounts of the men and account with the Department.

Q. No general account of the items chargeable to the work?—A. No.

Q. So that none of these items which are charged, other than the wages of the men, appear in this book to which you refer as the Hudson Strait ledger?—A. No.

Q. None whatever?—A. No.

Q. And this statement which is put in as Exhibit L-X is a compilation of figures from information given you by the engineer, and not a book record of A. S. MacMillan and Company, nor a copy of a book record?—A. They are supported by invoice vouchers which I put in this morning.

Q. Where is the invoice or vouchers supporting this incidental item of \$500?—A. There are none.

Q. Is there any invoice supporting "C. A. MacNearney \$180?"—A. A proportion of his salary.

Q. So that when you said to me a moment ago that the figures were supported by invoices, that is not correct?

Mr. ILSLEY: Not all of them.

Mr. BELL (Hamilton): Will you please let the witness answer?

Mr. ILSLEY: I can swear that the witness did not say all of them. You know that very well.

Mr. LAWSON: When my learned friend was examining I was particularly careful not to interrupt. I know it is hard for him not to sit still—

Mr. ILSLEY: No, it is not difficult at all, but on this particular point he never said that all of them were backed up by invoices. If my learned friend intimates that he did, he is intimating something that is not correct. He can go on with his personal remarks as much as he likes, but on that particular point I am sure of my fact.

By Mr. Lawson:

Q. I will be very sorry to mislead you, witness, and I will now come back to my question. The statement put in this morning to this Committee and marked "Exhibit L. X." contained figures which are not taken from the books of A. S. MacMillan and Company.—A. Contain some figures.

Q. Which are not taken from the books of A. S. MacMillan and Company? Is that correct?—A. That is correct.

Q. And does it also contain some figures for which there are no invoices?—A. Salary for MacNearney, salary for Moriarity, truckage, car hire, taxis.

Q. Motor boat hire?—A. Motor boat hire and incidental expenses.

Q. So that we can take this entire item for organization totalling \$1,248 and say that none of the items shown on this exhibit L. X. are recorded in the books of A. S. MacMillan & Company?—A. Yes.

By Mr. Ilsley:

Q. Is there any such a firm as A. S. MacMillan & Co.?—A. No.

By Mr. Lawson:

Q. A. S. MacMillan is the gentleman by whom you are employed?—A. Yes.

Q. And when I have said throughout "A. S. MacMillan & Co." you took that to mean "A. S. MacMillan" by whom you are employed?—A. Yes.

Q. And the books to which you are referring in this examination are his?—
A. Yes.

The witness retired.

The Committee adjourned until Wednesday, May 22, 1929, at 10.30 a.m.

Doc. Canada. Public Accounts
House of Commons Committee on, 1929

SESSION 1929

HOUSE OF COMMONS

SELECT STANDING COMMITTEE

ON



Public Accounts

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10—WEDNESDAY, MAY 22, 1929

WITNESSES:

- Mr. A. S. MacMillan, M.P.P., Contractor, Halifax, N.S.
- Mr. E. J. Walker, bookkeeper, Halifax, N.S.
- Mr. F. C. Campbell, Halifax, N.S., formerly foreman on Hudson Strait Expedition.
- Mr. B. M. Myers, foreman, Halifax, N.S.
- Mr. J. R. O'Malley, formerly secretary of Hudson Strait Expedition, Department of Marine.
- Mr. Denis Moriarity, Halifax, formerly Superintendent on Hudson Strait Expedition contract.
- Mr. Walter Surtees, architect, Chief Engineer's Branch, Department of Marine.

OTTAWA
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1929

MINUTES OF PROCEEDINGS

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

WEDNESDAY, May 22, 1929.

MORNING SITTING

The Committee opened proceedings at 10.45 o'clock, Mr. Jacobs, the Chairman, presiding, and the following members of the Committee present; Messieurs: Arthurs, Beaubien, Bell (Hamilton West), Bettez, Bothwell, Cannon, Casselman, Cowan, Dubuc, Duff, Ernst, Fraser, Guerin, Ilsley, Jacobs, Kaiser, Laflamme, Lapierre, Lawson, Loyie, Manion, McDiarmid, McGibbon, Parent, Pouliot, Ross (Kingston City), Smith (Cumberland), Smith (Stormont), Smoke, Taylor, Telford and Tobin.—32.

In Attendance: Mr. A. S. MacMillan of Halifax; Mr. E. J. Walker, Halifax, Mr. B. M. Myers, Halifax; Mr. F. C. Campbell, Halifax. Also, Major N. B. McLean, Asst. Chief Engineer; Mr. A. Boyle, Chief Accountant, and several other officials of the Department of Marine and Fisheries.

The meeting was declared open for business.

On motion of Mr. Ernst it was ordered that items 2 and 3, relating to construction work at Bedford Basin carried out by A. S. MacMillan, under contract with the Department of National Defence, be struck off the order paper.

Mr. E. J. Walker recalled and Mr. Ernst proceeded to his further examination.

Time Book, marked "M-X" placed in evidence and filed as Exhibit.

Owing to some time being lost in looking up records, Mr. Guerin moved that the Committee adjourn until 4 p.m. Motion later withdrawn without being put.

Mr. Walker further examined by Mr. Ilsley.

"Transit Time Sheets" filed and placed in evidence, marked as follows, respectively, N-X, O-X, P-X, Q-X and R-X.

The Witness further examined by Mr. Lawson; also by Mr. Duff, Mr. Bothwell, Mr. McDiarmid, and others of the Committee.

Mr. Lapierre replaced Mr. Jacobs during the meeting and presided over the Committee for the balance of the sitting.

It being declared one o'clock the Committee adjourned until 4 o'clock.

AFTERNOON SITTING

Committee opened proceedings at 4.15 p.m., Mr. Jacobs, the Chairman, presiding, and the following members of the Committee present; Messieurs: Bell (Hamilton West), Bothwell, Casselman, Cowan, Duff, Ilsley, Jacobs, Kaiser, Laflamme, Lapierre, Lawson, McDiarmid, Peck, Ross (Kingston City), Ryckman, Smith (Cumberland), Smith (Stormont), Smoke, Taylor and Telford.—20.

In Attendance: All the witnesses as above listed for the morning session; also, the same officials of the Department of Marine as attended the morning session, with the addition of Mr. J. R. O'Malley, Secretary of the Hudson Strait Expedition, and Mr. Walter Surtees, Architect, Chief Engineers' Branch, and some other officials of the Department.

Mr. Denis Moriarity, of Halifax, formerly Superintendent for A. S. MacMillan in connection with the Hudson Strait contract, summoned as a witness, was also in attendance.

The Chairman declared the meeting open and asked what was the business before the Committee.

Mr. Lawson asked that Mr. F. C. Campbell be called. It was found that Mr. Campbell had returned to the hotel for a forgotten book, which necessitated a short wait. In the meantime, Mr. Bell made a statement respecting the file in connection with the Librairie Beauchemin to the effect that having looked over the file, with the co-operation of Mr. Cowan and the officials of the Department of Printing and Stationery, the examination had proved very satisfactory, and that so far as that particular matter was concerned he was not asking to have it brought before the Committee.

The Committee agreed that the matter referred to be dropped.

The Witness, Mr. Campbell, having returned, he was called and sworn. Examined by Mr. Lawson.

Statement and letter of instruction filed with Committee and marked as "S-X"; also Diary kept by witness, while on expedition as an employee of A. S. MacMillan, filed and marked as "F-X".

Witness further examined by Mr. Ilsley, Mr. Duff and others.
Witness discharged.

Mr. B. M. Myers, one of the foremen in connection with the Hudson Strait contract, called and sworn.

Examined by Mr. Ilsley.
Witness discharged.

Mr. J. R. O'Malley, Secretary of the Hudson Strait Expedition, called and sworn. Examined by Mr. Ilsley.
Witness discharged.

Mr. Denis Moriarity, Superintendent of the expedition to Hudson Strait, called and sworn. Examined by Mr. Ilsley, Mr. Duff and Mr. Lawson.
Witness discharged.

Mr. W. Surtees, Architect in Chief Engineers' Branch, Department of Marine, called and sworn. Examined by Mr. Ilsley, Mr. Duff, Mr. Lawson.
Witness discharged.

Mr. MacMillan recalled and further questioned by Mr. Ilsley, Mr. Lawson, Mr. Duff and others, and discharged.

The witnesses on the matter under discussion having all been heard, it was decided by the Committee to meet again on Tuesday, May 28th, to consider the report to the House.

The Committee adjourned.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

COMMITTEE ROOM 425,

HOUSE OF COMMONS,

WEDNESDAY, May 22, 1929.

The Select Standing Committee on Public Accounts met at 10.30 a.m., the Chairman, Mr. S. W. Jacobs, presiding.

The CHAIRMAN: Gentlemen, we will come to order. What is the first business of the Committee?

Mr. ERNST: Mr. Chairman, before we start in with the regular business of the morning I desire to make a motion, and I am making it for this reason: I had hoped to be able to clean up the order sheet as we have left it, but owing to the fact that court opens at home on Tuesday of next week I am forced to leave this afternoon in order to prepare some cases. There have been numerous delays from time to time and we have got away behind the schedule I had mapped out. As much as I would like to, I do not see how I can go on with the other two items apart from the Hudson Strait one, and I move that they be expunged from the order sheet. Those are the ones relating to the Department of National Defence, two items in regard to Bedford Basin in two different years.

The CHAIRMAN: Is that the wish of the Committee?

Motion agreed to.

Are you prepared to go on with the other, Mr. Ernst?

Mr. ERNST: Oh, yes. Mr. Walker was on the stand when we adjourned.

E. J. WALKER recalled.

By Mr. Ernst:

Q. Mr. Walker, last evening when the Committee adjourned we were inquiring into wages during the month of July. At that time I asked you if a certain letter which appeared on page 178 of the printed report of May 7 had been prepared by you, a letter signed by Mr. MacMillan, addressed to Mr. Boyle, Chief Accountant of the Department.—A. I think it was prepared by me. Mr. MacMillan was troubled with his eyes at that time, and I was looking after all the routine in the office.

Q. And when prepared by you it was presented to Mr. MacMillan for signature?—A. Yes.

Q. Did you prepare the various accounts which were submitted by Mr. MacMillan to the Department?—A. I did.

Q. Who was responsible for the memorandum on the so-called balance sheet which you presented to the Committee yesterday to the effect that there was some \$2,000 odd owing to Mr. MacMillan?—A. That was my understanding of the contract.

Q. Did you put that memorandum on there yourself?—A. I put it on.

Mr. LAWSON: What was the date of that letter?

Mr. ILSLEY: I think we settled it that the undated letter was the 2nd of February.

Mr. ERNST: February 2, 1928.

[Mr. E. J. Walker.]

By Mr. Ernst:

Q. I understood you to say that you were responsible for the notation.—
A. I was responsible for it, yes.

Q. On what clause in the contract did you base that notation?—A. I think when we originally figured the contract we figured 42 men.

Q. Please answer my question. On what clause in the contract did you base that notation?—A. I do not know the exact clause.

Q. Did you look at the contract before you made that notation?—A. I think I did.

Q. And what did you find?—A. That there was an extra schedule, and there were a dozen or more copies attached to the contract.

Q. Between what number of men was Mr. MacMillan to take?—A. The one I saw was based on 42 men.

Q. The schedule?—A. Yes.

Q. Have you that schedule here?—A. I do not know whether it is here or not.

Q. I can give you a copy of the schedule as it was adopted, and you can tell me if it is the same as the one you are looking for. Paragraph 9?—A. Yes. There was another clause attached to the one I saw.

Q. You mean that that is not a true copy of the contract?—A. I cannot say.

Q. Well, surely you have Mr. MacMillan's duplicate original?—A. I had it here yesterday. I think I loaned it to Mr. Ilsley, did I not?

Q. Perhaps Mr. Ilsley will oblige. Well, do I understand that there is a contention that the contract furnished by the Department is not the true contract entered into between Mr. MacMillan and the Department?—A. It must be the true contract, but, as I said, I saw a schedule similar to this one, and I cannot swear whether it was the one attached to the contract or not. I was under the impression they were all alike.

Q. Well, look at paragraph 9?—A. "The contractor shall employ upon the works the following men, the foremen and carpenters to be first class mechanics." There is a minimum and a maximum. The one I saw was worded a little differently than that.

Q. You mean that Mr. MacMillan's contract was not the same as the one furnished us by the Department?—A. There were a dozen or more copies of these schedules around the office.

Q. Have you not the original contract with that schedule? You were asked to bring all documents.—A. I had it here yesterday.

Q. Well, where is it?—A. Here is our copy of the schedule.

Q. Do you see any difference in that from the one I handed to you, in paragraph 9?—A. None at all.

Q. In the face of that, I suppose you agree with me that the contention that some two thousand dollars is owing is untenable?—A. Yes, I would be willing to say that—

Mr. ILSLEY: Let him finish his answer.

Mr. DUFF: What was the question?

Mr. ERNST: I asked the witness if he would agree that the contention put forward on the so called balance sheet of yesterday that there was some two thousand dollars owing to Mr. MacMillan, in the face of paragraph 9, was untenable, and the witness said, "Yes".

By Mr. Ernst:

Q. Do you want to add anything to that?—A. That I will cancel it.

By Mr. Ilsley:

Q. Cancel what?—A. The claim for these extra men.

Q. You will cancel that?—A. Yes.

By Mr. Ernst:

Q. Mr. Walker, I understood you to say that you prepared the various accounts which were sent in by Mr. MacMillan?—A. I did.

By Mr. Bothwell:

Q. That \$2,000 spoken of by Mr. Ernst, is that all made up from these men's time?—A. It was made up on our basis of estimating. We estimated the original as I took it from the schedule I am speaking about.

Q. I thought you told us there were \$217 owing and then the extra four men's time?—A. Yes. We were not talking about the \$217. That claim is still pending against the Department.

Q. What about the \$2,000 of men's wages?—A. We figured the contract, figuring on 42 men.

By Mr. Duff:

Q. And you sent 46?—A. We sent 46.

Q. Why are you not entitled to the extra amount for those extra four men?—A. The schedule was changed before the contract was signed, and we would not have any legal right to it.

By Mr. Bothwell:

Q. So that the balance you were claiming is some \$2,000 for wages, and \$200 odd?—A. Overtime we paid the men which we did not receive from the department.

By Mr. Ilsley:

Q. You say you figured on 42 men? Did the department figure on 42 men?—A. I cannot say.

Mr. ERNST: I object, Mr. Chairman.

By Mr. Ilsley:

Q. Look at page 147. Mr. Surtec's memorandum, and read the fourth paragraph of that memorandum beginning with "That he will agree to erect all buildings. . . ."—A. That is where I was under the impression.

Q. Read the paragraph, will you?—A. "That he will agree to erect all buildings, plant, radio masts, derricks, etc., at the three stations within a period of 75 days dating from the time a sufficient amount of materials have been landed at the different stations to proceed with the work, for the sum of \$29,463—based upon the minimum number of (42) men. The contract price will be pro rata according to the number of additional men employed at the rate stated." The schedule was changed before the contract was signed. I do not know whether Mr. MacMillan was aware of it or not.

By Mr. Duff:

Q. But you made up your statement because there were four extra men and you thought you were entitled to four forty-seconds of the total amount?—A. Yes.

By Mr. Ernst:

Q. And you agree now that you are not?—A. In the face of the contract, that there was no legal right.

[Mr. E. J. Walker.]

Q. Mr. Walker, did you prepare the accounts that were submitted to the Department, of December 3rd, and which appear at page 169 of the evidence of May 7th?—A. Which account was that, Mr. Ernst?

Q. Page 169?—A. You mean the both of them?

Q. Yes, the two of them.—A. I prepared them.

Q. From what?—A. From the time it took going up.

Q. Have you any written record here from which you prepared those accounts?—A. No, I have not.

Q. Did you have any written record at the time?—A. Just notes, that is all.

Q. Whose notes, or what notes?—A. My own notes.

Q. Well, did you keep the notes?—A. I knew when the men left.

Q. You must have got some information as to when they got there?—A. They were home when I sent those accounts in.

Q. Well, is it not a fact that the foremen furnished complete timebooks on their return?—A. They furnished me with timebooks; I do not know whether they were complete or not.

Q. Have you any of these timebooks here?—A. I have.

Q. Will you produce them?

(Witness produces three timebooks, one of which is marked M-X).

Q. Look at that timebook, Mr. Walker, and open it at the month of July, the first part. Is that the book from which you prepared the accounts for the men whose names appear in it?—A. No, I did not need these books to prepare the accounts.

Q. From what then did you prepare the accounts?—A. From the contract.

Q. Well, as to dates?—A. From the date they sailed until the date they returned.

Q. And you prepared the accounts from the contract.—A. Yes.

Q. That applies, I suppose, to the accounts which appear at page 169?—A. These accounts at page 169 were cancelled afterwards.

Q. I know, but from what did you prepare those accounts on page 169?—A. From the contract.

By Mr. Taylor:

Q. Did you say there were cancelled later?—A. They were.

By Mr. Ilsley:

Q. And what did you substitute for them?—A. I substituted another statement.

Q. Where is that statement? Is that the statement on page 174?—A. That was the last statement I submitted. I do not know whether it is the last one, but it is the correct one.

Q. What did you prepare that statement from, the contract too?—A. I prepared that from the contract.

By Mr. Ernst:

Q. You prepared the statement on page 169, I understood you in the first instance, from the contract?—A. I did.

Q. Will you look at the timebook and see how many men have Sunday as a working day?—A. Well, there is one for Campbell.

Q. And my recollection is that you told us yesterday that you only paid Mr. Campbell for week days, during the month of July, from your ledger?—A. I do not know. I would have to have the ledger to answer that.

Q. I find from the book that William Smarden, William Mayo, J. Hennessy, George McKay, A. Henderson, J. Belmore, F. Hayter, J. Rogers, G. R. Campbell, William Irons, William Brady, C. Savage, D. Goodie, and J. Woods, are the men who apparently were under Mr. Campbell in the month of July, and that neither the 17th, nor the 24th, nor the 31st, all of which are Sundays are charged against Mr. MacMillan in that time book?—A. One Sunday to Mr. Campbell. I did not accept his time.

Q. You rejected the time?—A. Yes.

Q. Tell me from what you made up the accounts which appear on page 169 of the printed report?—A. From the contract.

Q. You subsequently changed them?—A. I did.

Q. What did you change them from?—A. Well, after reading the contract I decided my interpretation of it was wrong.

Q. When you decided that interpretation was wrong, had you received word from the Department that the 15 per cent which you had placed in those accounts for handling charges would not be allowed?—A. Not to my recollection.

Q. Do you remember when you first heard that the 15 per cent would be disallowed?—A. I do not.

Q. Did you have any conference with anyone before you changed the accounts?—A. No, I changed them on my own.

Q. Entirely on your own?—A. Yes.

Q. Without conference with anyone?—A. No, I very seldom consulted anyone.

Q. Did you consult Mr. MacMillan?—A. No, I did not consult him.

Q. Or Mr. MacNearney?—A. No.

Q. Not at all?—A. No, not at all.

Q. You just changed them?—A. I just changed them.

Q. Now, will you turn to the printed report at page 192 of the evidence of May 7th, "Time of men returning from Hudson Strait via the Stanley?"—A. Yes.

Q. According to your ledger, what is the last date for which men were paid by Mr. MacMillan in November?—A. I cannot say without the ledger.

MR. ILSLEY: Are you speaking about men paid by the day or by the month?

The WITNESS: Paid 28 days.

By Mr. Ilsley:

Q. Who was paid 28 days?—A. Mr. Campbell was paid 28 days. He was paid 24 working days which included four Sundays.

By Mr. Ernst:

Q. Have you checked up the Sundays?—A. I cannot check it up without a calendar.

Q. Have you any record to show what was the last day in the month of November, when Mr. Campbell, who was a daily employee at a daily rate, was paid by Mr. MacMillan?—A. Only what is here in the ledger.

Q. Read the entry?—A. Wages, 24 days.

Q. Have you checked the month of November as to Sundays?—A. Well, I cannot check it without a calendar.

Q. Well, did you check it?—A. I imagine I checked it at the time.

Q. And that there were four Sundays?—A. I imagine so.

MR. LAWSON: Both of you have been talking about Mr. Campbell and there are two Campbells.

MR. ERNST: F. C. Campbell.

By Mr. Ernst:

Q. Now, will you turn up the other ledger sheets which I have handed you respecting men coming home on the Stanley?—A. Which one?

Q. Turn them up in order.—A. Wages 23/26.

Q. Who is that?—A. George R. Campbell.

Q. He was paid 23 days?—A. 23/26.

Q. 23 days?—A. 23/26th of a month.

Q. How many days was Mr. George R. Campbell paid?—A. Paid h23/26th of a month.

Q. On the basis of 26 working days in the month he was paid 23 days?—

A. Yes.

Q. Next man?—A. Angus M. Henderson.

Q. Yes, paid?—A. 24/30.

Q. On the basis of 30 days of the month he was paid 24 days?—A. Yes.

Q. Next man?—A. Joseph Hennessy.

Q. Paid?—A. \$125.84.

Q. Carpenter?—A. Carpenter.

Q. Have you any record which would show how many days he was paid?

—A. That is all that is here, wages, November \$125.84.

Q. Next man?—A. George Keating, \$125.84.

Q. Carpenter?—A. Carpenter.

Q. Next?—A. Seymour Kelly, \$110.40.

Q. In what capacity was he employed?—A. Handyman.

By Mr. Lawson:

Q. There is the record of that one, as to the fraction which worked out at \$110.40.—A. There is nothing here.

Mr. ERNST: You gave us the record yesterday, I believe.

Mr. LAWSON: You are talking about Kelly now.

Mr. ERNST: Yes.

The WITNESS: I worked that out here yesterday, if you remember. It is not in the ledger.

By Mr. Ernst:

Q. Next man?—A. William Mayo, \$125.84.

Q. Carpenter?—A. Carpenter.

Q. Any notation to show how his is worked out?—A. No, none at all.

Q. Next?—A. George McKay, 23/26.

Q. He was paid on the basis of 23 working days out of 26 in the month?—

A. Yes. \$132.70.

Q. Carpenter?—A. Carpenter.

Q. Now, the other carpenters who had no notation as to the method of reckoning were paid less than Mr. Mayo?—A. I cannot say.

Q. Whom you have already read?—A. I do not remember the men I have read.

Q. You have read us several carpenters who were paid \$125.84, or some such sum.—A. William Mayo was paid \$125.84.

Q. Yes?—A. George H. Keating, \$125.84.

Q. Yes?—A. Joseph Anderson, \$125.84.

Q. That is enough. Turn back to the one you were at. What is the name of the carpenter who was paid \$132?—A. George McKay.

Q. Who is there reckoned at 23 working days out of 26?—A. Yes.

Q. And the other carpenters received less?—A. Apparently they did.

Q. Yes, go on.—A. Alonzo Neiforth—

[Mr. E. J. Walker.]

By Mr. Lawson:

Q. Go back to McKay? Did I understand you and the witness to agree that McKay was paid more than \$125.84?—A. Yes.

Mr. ERNST: He was paid \$132, I think that is quite correct.

The WITNESS: According to the ledger he was paid \$132.70.

By Mr. Ernst:

Q. Next man?—A. Neiforth, \$125.84.

Q. And he was what?—A. A carpenter.

Q. Any notation as to how his was worked out?—A. Wages.

Q. No quotation as to the method?—A. No.

Q. Next man?—A. Charles Savage, labourer.

Q. Paid?—A. \$86.58.

Q. Any notation as to the basis of reckoning?—A. No, just wages for November. William Smarden, carpenter.

Q. Yes?—A. \$132.70.

Q. And any notation as to how his was worked out?—A. 23/26.

By Mr. Duff:

Q. Are these all monthly men?—A. Yes.

Q. Were they all satisfied with the moneys they received?—A. Apparently they were; none of them came back.

By Mr. Bothwell:

Q. Did you work out all the men's time there yourself?—A. No, I did not work them all out myself.

Q. Have you any explanation as to how men, receiving the same rate of wages per month, are shown with different sums?—A. Well, the proportions might have been worked out differently. I may have used 23/26 and someone else may have used 23/30ths.

Q. And what time did these men return?—A. I do not know what the date of their return was.

By Mr. Ernst:

Q. They returned, did they not, on the evening of the 26th November?—A. I think so.

By Mr. Duff:

Q. Was there any deduction made for tobacco, or anything else, on their return?—A. It is charged differently.

By Mr. Bothwell:

Q. On page 192, time of men returning from Hudson Strait via Stanley, November 11th to 28th inclusive, where did you get the 28th?

Mr. ERNST: I was coming to that. That is exactly what I am driving at.

By Mr. Ernst:

Q. Can you show me any man who was paid 28 days in the month of November?—A. I cannot show you where they were paid 28 days from the ledger. I do not know that I have anything that I can show you. I know the men were paid for all the time that was coming to them.

Q. That was coming to them?—A. Yes.

Q. If you turn to the month of November you will find that between the 1st and the 26th there were three Sundays, that the 26th of November came on a Saturday.—A. I think that is correct.

[Mr. E. J. Walker.]

Q. Then how do you make out that F. C. Campbell was paid 28 days, or 24 working days, less four Sundays? How in the face of that do you make out that F. C. Campbell was paid on the basis of 28 days?—A. He was paid 24 days in November.

Q. Then, he was paid on the basis of 27 days?—A. No, he was paid 24 days.

Q. 24 working days?—A. Yes.

Q. And the others were paid 23 working days, or less?—A. They were paid 23/26 of a month, or whatever the fraction was.

Q. Then, how in the face of that can Mr. MacMillan seek to recover 28 days in November for the men?—A. We billed the Department a fair charge.

Q. And they paid it; they paid for 28 days?—A. They paid for 28 days.

Q. And you paid none of the men, with the possible exception of Mr. F. C. Campbell, 28 days straight time?—A. The Department paid for coming back on the Stanley; they paid for 18 days.

Q. They paid up to 28th November inclusive?—A. Yes.

Q. And you paid none of the men beyond the 26th November, did you?—A. I paid them for the day they came back.

Q. That was Saturday, 26th November?—A. I think they came home either Saturday night or Sunday night.

Q. Well, then, you paid 26 days' wages in the month of November and you billed the Department for 28, is that right?—A. I cannot say whether it is right or not.

Q. Well, have you any record of payment of wages to the men for the 27th and 28th days of November?—A. Only what is in the ledger.

Q. Which shows that in the month of November you paid 23/26?—A. Whatever the fractions are.

Q. And allowed for three Sundays? You paid for 26 days in the month of November—A. I do not know whether there are three Sundays or not.

Q. Well, if Saturday is the 26th— —A. I have not a calendar.

Q. Perhaps I can help you. Let us assume, just for the moment, Mr. Walker, that there were three Sundays in November, and that Saturday was the 26th, or the 26th fell on a Saturday, Sunday the 20th, Sunday, the 13th, and Sunday the 6th. Is there any man that you paid 28 days' wages to in the month of November?—A. I would have to go through the ledger to look.

Q. Well, show me. Those are the men who came on the Stanley. Find if they are there.

Mr. GUERIN: Really we are losing a lot of time looking for nothing. If there is anything serious, let it be brought out and sifted to find out what it amounts to. We are coming here day after day, being put off and coming back; we have a lot to do and we should not have to waste our time in this way looking for nothing. I move we adjourn until this afternoon at four o'clock to give this young man a chance to find out what he is looking for, and then let the lawyer carrying on the prosecution frame his questions so that they will cover the situation, and let us be done with it.

Mr. SMITH (*Stormont*): I second that motion.

Mr. DUFF: I do not know whether we should adjourn or not. I have some questions I want to ask when Mr. Ernst finishes. I agree with Dr. Guerin that we are spending a good deal of time. These various accounts have been certified by Mr. McLean for payment. Why are we bothering wasting our time with them?

Mr. ERNST: Of course they would be certified, because the Auditor General would not pass them unless they were. It matters not whether the amount is \$100 or \$100,000, the principle is the same.

Mr. ILSLEY: What is the amount of this particular item?

Mr. ERNST: The amount involved in this particular item is about \$163.

[Mr. E. J. Walker.]

The ACTING CHAIRMAN: Is it the wish of the Committee that we adjourn?

Hon. Mr. MANION: Just because Dr. Guerin does not want to sit is no reason why we should adjourn. He does not have to sit here if he does not want to. Mr. Ernst is investigating in the way it suits him to investigate. Nobody can accuse this young man of giving his evidence willingly. He kills as much time as he possibly can—

Several Hon. MEMBERS: No.

An Hon. MEMBER: Piffle.

Hon. Mr. MANION: We have heard a good deal of piffle from the other side too.

Mr. DUFF: What you are saying is piffle also?

Hon. Mr. MANION: Some of it is, yes.

Mr. ERNST: Dr. Guerin may not know it, but I cannot be here at this afternoon's session and I would regard any motion to adjourn as being an effort to block my investigation.

The ACTING CHAIRMAN: Will Dr. Guerin withdraw his motion?

Mr. GUERIN: All right.

By Mr. Ernst:

Q. Have you found an answer to the question which I directed to you?—
A. I found two sheets of men who came home on the *Stanley* which you did not include in your lists.

Q. Who are they?—A. Mr. Bayers and Mr. Moriarity.

Q. What do you find there? I am interested in the month of November; go ahead with that.—A. Month of November, wages \$202 to Mr. Moriarity.

Q. What was he getting a day?—A. \$8.

Q. For how many days was he paid?—A. He was paid \$202. On December 15th, he was paid \$60, wages.

Q. Do you know what that was for?—A. For checking up the overtime. We had to pay him for going over the department's figures.

Q. It was something subsequent—A. No, it was not subsequent; he was Mr. MacMillan's superintendent.

Q. What is the next?—A. Mr. Bayers.

Q. What was he?—A. He was a handyman—\$110.40.

Q. The same as the other handymen got?—A. I will have to look that up.

Q. Have you found any man who was paid for 28 days in the month of November by Mr. MacMillan?—A. Yes, Mr. Moriarity.

Q. How much?—A. \$202.

Q. Divide \$202 by 8 and find out if that was paying Mr. Moriarity for 28 days.—A. A little over 25 working days.

Q. Was he on straight time or working days?—A. Working days.

Q. What were his wages for the month of October?—A. \$208.

By Mr. Ilsley:

Q. How much a day?—A. \$8 a day.

By Mr. Ernst:

Q. Excepting Mr. Moriarity, who was paid 25 working days, have you any of these men who came home on the *Stanley* who were paid for 28 working days?—A. I will have to look them up to see.

Q. Look through again; you have looked through once before.—A. Mr. Campbell was paid for 24 working days; Mr. Geo. R. Campbell was paid 23/26.

Q. Twenty-three days out of 26?—A. Yes. Mr. Henderson was paid 24/30.

Q. Twenty-four days out of 30?—A. Yes.

Q. Twenty-four calendar days?—A. Yes. Mr. Hennessey was paid \$125.84; Mr. Geo. H. Keating was paid \$125.84; Mr. Kelly was paid \$110.40—

Hon. Mr. MANION: How many days was that? I object to these amounts being given.

By Mr. Ernst:

Q. What was his monthly rate?—A. \$125.

Q. On what basis was that reckoned? Have you anything to show?—A. I have not.

By Mr. Lawson:

Q. Will you swear that \$110.40 is payment for 28 days in November?—A. I would not, no; I have no proof to show it.

By Mr. Ernst:

Q. Go on.—A. William Mayo, \$125.84, carpenter; Geo. MacKay, \$132.70.

Q. On what basis was Geo. MacKay paid?—A. 23/26.

Q. Twenty-three working days out of 26 in the month?—A. Yes.

Q. And he received, as a carpenter, \$132.70?—A. Right.

Q. And the other carpenters received less?—A. According to the books, yes.

Q. Have you any of these men who were paid for 28 days in the month of November?—A. Outside of Moriarity, I do not see any one.

Q. Then on what basis do you make out that account claiming up to the 28th inclusive from the department?—A. I cannot answer that question.

Q. Obviously it is incorrect?—A. I cannot say.

Q. In the light of your present knowledge?—A. I would not say that.

Q. Can you find anything to establish it or justify it?—A. I will have to check them over.

Q. You have the accounts and you have given them to us. Is there anything in them to justify charging the Department for 28 days in the month of November?—A. Whatever day they came home; I don't remember just when that was.

Q. I thought you said they came home on Saturday evening, the 26th of November.—A. I think that was it.

Mr. ILSLEY: You told him that.

By Mr. Ernst:

Q. Mr. Campbell was the foreman of the gang of men who returned on the Stanley?—A. Yes.

By Mr. McGibbon:

Q. From what timebook did you pay those men?—A. I did not pay them from the timebook.

Q. From where did you get your accounts from which you did pay them?—A. From the contractor.

Q. Where is he?

By Mr. Ernst:

Q. Have you torn any sheets from this timebook?—A. No.

Q. Has any one, to your knowledge?—A. Not to my knowledge.

Q. The month of November does not appear, but the others do.—A. I don't know anything about that.

[Mr. E. J. Walker.]

Q. I find October here, September, August—oh yes; I beg your pardon, November is here. I find the last day entered in the timebook is the 26th of November.—A. According to the foreman.

Q. Can you find any of the men who are paid beyond the 26th of November?—A. Outside of Moriarity.

Q. There are none?—A. From the ledger; I do not see any.

Q. According to the ledger there are none?—A. That is right, outside of Moriarity.

Q. In the light of your accounts you have been overpaid two days by the Department?—A. I cannot say that.

Q. Why not?—A. I would be answering to something—

Q. In the light of the records which you produce here to-day you have been overpaid two days by the Department?—A. I cannot answer that question.

Hon. Mr. MANION: Which means, he does not want to.

The WITNESS: I said, I could not answer that.

Mr. McGIBBON: It is quite palpable he does not want to answer.

By Mr. Ernst:

Q. I find a statement of extra time over the 75 day period at page 192 of the evidence of May 7th, October 18th to November 10th inclusive, reckoned as straight time?—A. Yes.

Q. Will you look up your ledger account for Mr. Moriarity and find out how many days' pay he actually received from Mr. MacMillan between the 18th of October and the 10th of November?—A. I have no record of that. I have the wages for October. The only records I have are the wages for October and November.

Q. Did Mr. Moriarity receive pay for Sundays?—A. I cannot say.

Q. Will you turn up the ledger sheet?—A. I have it before me.

Q. What was his pay for October?—A. \$208.

Q. Reckoned on 26 working days at \$8 each?—A. Whatever it works out.

Q. He was not receiving pay for Sundays?—A. No.

Q. Turn up Mr. F. C. Campbell, foreman, and tell us what his pay was for the month of October?—A. \$208.

Q. He was not paid for Sundays?—A. He was paid \$208.

Q. He was not paid for Sundays?—A. I do not know whether he was paid for Sundays or not.

Q. You swear he was hired at \$8 per working day?—A. Yes.

Q. Then he was not paid for Sundays?—A. No, unless I have made a mistake.

Q. Turn up the carpenters whose ledger sheets you have before you, Mr. MacKay, Mr. Henderson and the rest of them, and tell us at what rate they were paid during the months of October and November.—A. October, Henderson was paid \$150.

Q. And the same applies to November?—A. In November he was paid \$124.30.

Q. Then he was not paid \$7 per day straight time?—A. No.

Q. Were any of the other carpenters paid \$7 per day straight time?—A. Not to my knowledge.

Q. The handymen during October were paid what?—A. \$125 per month.

Q. During the month of November?—A. That is according to my knowledge, \$125.

Q. They were not paid \$5.50 per day straight time?—A. No, only for overtime.

Q. And labourers?—A. \$100 per month.

[Mr. E. J. Walker.]

Q. During the month of October?—A. Yes.

Q. And during the month of November?—A. Yes.

Q. Then between the 18th day of October and the 10th day of November none of these men were paid the amounts set opposite their names, as it appears at page 192 of the printed report. It contains a "Statement of extra time over the 75 day period", and includes one superintendent, 24 days at \$8 per day.—A. Yes.

Q. Wages.—A. That is a charge to the department.

Q. It does not correctly represent the amount paid?—A. It is a charge to the department.

Q. It is in excess of the amount you were actually paying that superintendent?—A. That is right.

Mr. ILSLEY: It does not purport to represent it.

Mr. ERNST: We can argue the contract later.

By Mr. Ernst:

Q. A foreman at \$8 straight time does not correctly represent the amount you were paying during that period?—A. It does not mention the foreman.

Q. One foreman, 24 days, at \$8 per day.—A. We did not pay him \$8 a day.

Q. That does not correctly represent the amount paid to the foreman?—A. We did not pay the foreman \$8 a day.

Q. Then in each case the superintendent and the foreman, the handymen, the carpenters and the labourers, the amounts set opposite them at page 192 were in excess of wages paid by Mr. MacMillan to the men?—A. Right.

By Mr. Duff:

Q. Mr. Walker, in those items from the time sheets which you read a few minutes ago—most of them were monthly men?—A. We had signed agreements with the men.

Q. I notice that you wrote opposite certain men's names a proportion of a month; for instance, if I remember rightly, 23/30, 23/26, and 26/30?—A. Yes.

Q. Take the 23/26: would that not really include Sundays?—A. The Sundays were figured in. There is very little difference in the proportion.

Q. In other words, it really should be 27/30 instead of 23/26?—A. It is the same thing.

Hon. Mr. MANION: It does not work out the same way.

Mr. DUFF: I will bring that out in a moment.

By Mr. Duff:

Q. Now, Mr. Walker, take all the time you want, but I want to put this question to you and let you work it out. Take 23/26 of a month at \$130 and give us the answer.

Mr. LAWSON: There was not any \$130.

Mr. DUFF: That is a hypothetical question.

Mr. LAWSON: Why not take the actual amount of \$150?

By Mr. Duff:

Q. All right, take \$150—23/26 of \$150.—A. \$132.692.

Q. Now figure out what 26/30 of \$150 would be.—A. \$130.

Q. So that figuring it 23/26 is more than 26/30?—A. That is right.

Hon. Mr. MANION: Because it is more, does that prove something?

Mr. DUFF: It proves that Mr. Ernst's questions were all wasted time.

[Mr. E. J. Walker.]

By Mr. Bothwell:

Q. In the schedule of conditions of the agreement, paragraph 8, it provides that the rate of pay in paragraph 7 shall be as follows:

Foremen, \$8 per day; carpenters \$7 per day; handymen, \$5.50 per day; and labourers \$5 per day.

Paragraph 7 provides:

Wages will be paid by the department during transportation to the first station where construction begins and contract becomes operative; also, after the 75 day period above mentioned until such time as men are returned to Halifax.

What interpretation did you put on those two clauses as to the payment of the men while they were returning?—A. The Department pays us the rate set forth in that schedule.

Q. Straight time?—A. That is the time in transit, and what we paid the men in our own business.

By Mr. Ilsley:

Q. Mr. Walker, you said that Mr. Moriarity was the only one who was paid for 28 days. Is that right?—A. According to the ledger sheets, I think he was. The others were paid by the fraction of the month.

Q. The reason that he was paid more than the others was that he continued in the employ of Mr. MacMillan after the others?—A. In connection with this work.

Q. He was kept on to clean up on this job?—A. They had to transfer the stuff from the train, and he looked after the checking up of what went up there and what came back.

Q. That was the reason he got paid on a different basis than the others?—A. That is the reason.

Q. Coming to some of Mr. Ernst's questions of yesterday and to-day: this contract is divided into various parts?—A. Time going up—

Q. Let us take the transportation period. Can you deal with that as a whole, the time going up on the "Stanley" and the time coming back on the "Larch" and the "Stanley"?—A. That is the way we figured it up.

Q. Now, to begin with, will you turn to the clause of the contract which deals with the pay they were to get for the time spent in transit? That is clause 7, is it not?—A. "Wages will be paid by the department during transportation to the first station where construction begins and contract becomes operative; also after the 75 day period above mentioned until such time as men are returned to Halifax, wages for working time in excess of 75 days as set forth in paragraph 6, will in no case be allowed except unusual difficulties are encountered, causing unforeseen delays; the final decision to lie with the chairman of the expedition, Mr. N. B. McLean."

Q. Now, read paragraph 8.—A. "The rates of pay to apply under paragraphs 7 and 20 shall be as follows for the different classes of men employed, inclusive of profits and all expenses in connection with this work—"

Q. Now Mr. Ernst brought out the point yesterday that Mr. Campbell was not paid for Sundays during the transportation period. Is that correct?—A. He was hired for \$8 per working day.

Q. But the Department paid Mr. MacMillan \$8 for every day?—A. That is correct; if we did not get that \$8 we had no profit.

Q. The rates of pay you were to get from the department were to be inclusive of profit and all expenses?—A. That is what it says in the clause.

Q. If you had paid Mr. Campbell exactly what you got from the Department there would have been no profit?—A. No.

Q. Now, the same applies to the superintendent and the foremen, does it not?—A. It does.

Q. Is it your interpretation of the contract that you could submit an account and were entitled to be paid for every day during transportation? Is that right?—A. Well, that is my interpretation.

Q. And that was the account that you finally submitted to the Department?—A. That is the amount they paid.

Q. And you considered that you were perfectly entitled to make any arrangement with the men that you could under that clause because it was all fixed by contract with the Department?—A. There is another clause in the contract, a fair wage clause. I do not know whether that enters into it or not.

Q. Apart from that, the rates you paid to the men had not relation to the rates that you were entitled to from the Department under the particular clause that I have mentioned?—A. None at all.

Q. As a matter of fact, do you know what the profit was, or can you give me an approximate idea of the profit from the transit period?—A. We lost about \$195.

Q. You say you lost about \$195. What items have you put in as part of your cost?—A. Superintendent 16 days; 3 foremen, 16 days at \$8.

Q. You put in your wages that you actually paid the men as one item of your costs?—A. Yes.

Q. What other items have you put in as part of your costs?—A. A proportion of the overhead.

Q. How did you get your proportion of the overhead for the transit period?—A. We put up the cost of the whole job and applied it as reasonable as we could.

Q. And what part of the overhead did you apportion to the transit period?—A. \$1,621.

Q. What was your total overhead?—A. It was somewhere around \$14,100.

Q. Have you got a statement there showing how you came to the conclusion that you had a loss on the transit period?—A. I have.

Q. In that statement have you allowed as a disbursement this insurance or risk element?—A. It is entered in there.

Q. \$6,500 for insurance or risk?—A. Yes, it is in there.

Q. I think you said yesterday that nothing actually was paid out?—A. It is the same as paying insurance, you never get back what you pay out.

Q. You know as a matter of fact, that you tried to get the Workmen's Compensation Board to cover the men themselves?—A. Yes, sir.

Q. The Compensation Board would not take it, nor the insurance companies?—A. No.

Q. So, therefore, you considered you were entitled to put this sum in? Why did you put in this sum of \$6,500?—A. Before the expedition went away, I think it was figured out with Mr. Surtees.

Q. Anyway you figured the \$6,500 for insurance?—A. Yes.

Q. Have you got your statement there?—A. I have.

Q. Have you got a statement for each period, showing the profit and loss, as you figure it, on each period of this contract?—A. I have.

Q. Just tell us what you have got there; read them off and hand them in?—A. "Time in transit, SS. Larch, going:

By amount received from Department,		\$5,310 50
1 Supt., 16 days at \$8	\$ 128 00	
3 Foremen, 16 days at \$8	384 00	
15 Carpenters, 19 days at \$150—9½ months	1,425 00	
15 Handymen, 19 days at \$125—9½ months	1,187 00	

12 Labourers, 19 days at \$100—7 $\frac{3}{4}$ months	760 00	
		\$3,884 50
Plus proportion costs	1,621 49	
To balance		195 49
	\$5,505 99	\$5,505 99

Document produced and marked Exhibit N-X.

Q. Take the 75-day period of the contract for which you got a lump sum of \$29,463. Will you read a similar statement covering that period?—A. 75-day period:

By amount received Department	\$29,463 00	
To wages paid during period:		
1 Supt., 64 days at \$8		\$ 512 00
3 Foremen, 64 days at \$8		1,536 00
15 Carpenters, 64 days at \$150		5,516 00
15 Handymen, 64 days at \$125		4,596 75
12 Labourers, 64 days at \$100		2,941 92
		\$15,102 77
Plus prop. cost		8,928 74
By balance		5,431 49
	\$29,463 00	\$29,463 00

Document produced and marked Exhibit O-X.

Q. That was your profit on your 75-day period?—A. On the \$29,000 contract.

Q. Take the extra period beyond the 75 days?—A.

Extra Time Above 75-Day Period		
By amount received from Department	\$2,387 40	
1 Superintendent, 21 days at \$8	\$ 168 00	
1 Foremen, 21 days at \$8	168 00	
7 Carpenters, 24 days—5/5 months		
\$150	840 00	
3 Handymen, 24 days—2 2/5 months		
\$125	300 00	
1 Labourer, 24 days—4/5 months \$100	80 00	
	1,556 00	
Plus proportion of costs	653 52	
By balance	177 88	
	\$2,387 40	\$2,387 40

Document produced and marked Exhibit P-X.

Q. And what percentage of your outlay is that profit that you show on the extra period?—A. I would say, looking at it, it is a little over 5 per cent.

Q. Tell us under what clause of the contract were you to be paid for that extra period? It is clause 12, is it not?—A. Yes, clause 12.

Q. What do you understand "cost" to mean there?—A. Cost is wages and overhead, everything entering into the cost of it.

Q. And you considered that you have put the items in your accounts that you have just read which can properly be described as cost under clause 12 of the contract?—A. I do.

Q. And it shows that for that extra day period, admitting that these items are correct, you made a profit during that extra day period of something over 5 per cent on your cost? Is that correct?—A. That is correct.

Q. Less than 15 per cent on your cost anyway?—A. It was less than 15 per cent. We charged the Department 15 per cent, I remember, on the elapsed time between the 75-day period and the sailing date.

Q. So far as I know, there is only one other phase of the contract, and that is the overtime. Is that all, or are there others?—A. There is the time returning on the Larch.

Q. You have not given me that yet?—A. And the time returning on the Stanley, and the overtime.

Q. Tell us how you came out on each of those phases of the contract?—A.

Time in Transit—SS. Larch—Return

By amount received from Department.. . . .	\$1,277 50	
2 Foremen, 6 days at \$8.. . . .	\$ 96 00	
8 Carpenters, 7 days—1 13/15 months		
\$150.. . . .	280 00	
11 Handymen, 7 days—2 17/30 months		
\$125.. . . .	320 84	
10 Labourers, 7 days—2 1/3 months		
\$100.. . . .	233 33	
	930 17	
Plus proportion of costs.. . . .	390 67	
To balance.. . . .		43 34
	<u>\$1,320 84</u>	<u>\$1,320 84</u>

Document produced and marked Exhibit Q-X.

Q. And the next one?—A. "Time in Transit, C. G. S. Stanley:—

By amount received from Department.. . . .		\$ 1,557 00
1 Superintendent, 15 days at \$8... \$ 120 00		
1 Foreman, 15 days at \$8.. . . .	120 00	
7 Carpenters, 18 days, 4 1/5 months		
at \$150.. . . .	630 00	
3 Handymen, 18 days, 1 4/5 months		
at \$125.. . . .	225 00	
1 Labourer, 18 days, 3/5 months		
at \$100.. . . .	60 00	
	<u>\$ 1,155 00</u>	
Plus proportion of costs.. . . .	485 10	
To balance.. . . .		83 10
	<u>\$ 1,640 10</u>	<u>\$ 1,640 10</u>

Document produced and marked Exhibit R-X.

[Mr. E. J. Walker.]

Q. What is the next one?—A. Overtime Paid Men

To total amount paid men... ..	\$ 5,559 33	
To proportion of costs... ..	2,334 92	
By amount received from Department... ..		\$ 6,176 10
	<hr/>	
	\$ 7,894 25	\$ 6,176 10
To balance loss... ..		1,718 15
	<hr/>	
	\$ 7,894 25	\$ 7,894 25

Document produced and marked Exhibit S-X.

Q. Is that all?—A. That is all.

Q. Your balance sheet recapitulates the whole thing, and shows your profit on the entire contract?—A. I think it works out correctly.

Q. And your profit on the entire contract was approximately 15 per cent?—A. That is what it would amount to.

Q. Although there were losses on certain parts of the contract?—A. The total amount remains about 15 per cent.

Q. And your total profit on the extra time period for which you were entitled to be paid on a cost plus 15 per cent basis was less than 15 per cent?—A. It is a little over 5 per cent.

Q. Assuming, as I have said, that these charges for insurance and overhead and so on, are correct and justifiable?—A. Yes.

Q. You have apportioned to certain parts of the contract certain proportions of overhead and so on. Do they all add up to the amount of overhead shown in the balance sheet which you put in yesterday?—A. They add up to that amount.

Q. And you have apportioned it in as reasonable a way as you could do the various parts of the contract?—A. As far as I know.

Q. Now, these accounts that Mr. Ernst was examining you on this morning, on page 192, of May 7th, you see that, do you?—A. I see it, yes.

Q. These accounts were submitted by you to the Department, were they?—A. They were.

Q. Without any reference to Mr. MacMillan at all?—A. I think so.

Q. And the letters and so on, that were written to the Department were written by you?—A. Well, Mr. MacMillan had trouble with his eyes at that time, and I had to look after all the office.

Q. What was the trouble with his eyes?—A. He lost the sight of one of them.

Q. Was he doing any office work at all?—A. Not very much. I used to take the stuff to the house to him.

Q. When he dictated a letter, would you stand by him?—A. I was always there.

Q. He was relying entirely upon your knowledge of the facts?—A. Yes.

Q. You take full responsibility, do you, for those statements?—A. I do.

Q. Some question was raised about office expenses, as to whether the amount reckoned for office expenses was fair or not. Can you tell us what your office expenses are per month now, or were then?—A. I would say they are around \$2,000.

Q. You might tell us about your office expenses? What are the items that go into the office expenses?—A. Well, there is rent, light, and three engineers; we have an estimator, and outside men we pay for estimating a lot of our work, and we have two automobiles and a truck.

[Mr. E. J. Walker.]

Q. What is your truck for?—A. Well, the truck is used around town, for all the work around the city and out in the country. There is the telephone bill and the telegraph bill, postage, stationery, stenographer and cost accountant.

Q. You were asked yesterday to say something of the materials that were returned and disposed of, and you said something about them being disposed of for \$80.—A. There was \$80 cash, I think, that Mr. MacMillan received. I have not any record of it. There is a credit shown on the vouchers for the Imperial Tobacco Company; about \$90 worth of tobacco was returned. It was not charged up. They billed the Department for tobacco and we thought maybe they would pay it, but it came back on us.

Q. What became of the tobacco that was returned?—A. The Imperial Tobacco Company took it back.

Q. What did it amount to?—A. It is credited on the vouchers. It was not charged out to the men.

By the Acting Chairman:

Q. They took it back at the price that was paid for it?—A. Yes.

By Mr. Ilsley:

Q. There was some tobacco returned, and the account is credited with the amount?—A. Yes, somewhere around \$93 or \$94.

Q. Although there may have been some trifling errors, your total profit on your cost plus period was only about 5 per cent, although your contract allowed you 15 per cent, is that correct?—A. That is according to my figures.

Q. And your interpretation of the contract?—A. Yes.

Q. And your profit on the whole thing was only 15 per cent?—A. It might have been a decimal point or two over the 15 per cent. There is \$217 that the Department still owes us for overtime.

By Mr. Lawson:

Q. Mr. Walker, in response to my hon. friend, Mr. Ilsley, you have put in here this morning as exhibits six statements apportioning the parts of this contract and extras. When were these statements prepared?—A. I prepared them last week.

Q. And were those apportionments of what are called costs throughout determined by you last week?—A. Were which?

Q. In each exhibit you have in a blank item plus proportion costs. I say, were those proportions determined by you last week?—A. No, it is made up from the sheet I put in as evidence yesterday, the percentage.

Q. Let me see if I follow you. You tell me that those statements were compiled by you last week?—A. That is correct.

Q. And was it last week that you made those apportionments of costs which you have apportioned to each of the statements?—A. You mean what is on the statement?

Q. On each statement you have at the foot "Plus proportion of costs." Let me read you from Exhibit M-X, that is, time in transit Steamship Larch. In there you have a blank item, "Plus proportion of costs \$1,621.49," and so in each one you have a similar blank item. Did you arrive at that proportion of costs last week when you prepared those statements?—A. I did, yes.

Q. And was that arrived at by conference between you and Mr. MacMillan?—A. I may have asked him one or two questions about it, but I do not think we had any conferences.

Q. Then I say you prepared it?—A. I prepared it.

Q. You are responsible for it?—A. Yes.

[Mr. E. J. Walker.]

Q. And how did you make your calculations for these proportions of cost; what was the basis of your calculation?—A. I took the percentage. The total costs on the job were, I think, around \$14,100.

Q. The total costs of this Hudsons Bay job?—A. That is, cost that does not include wages paid out. That is overhead, \$14,100.

Q. And you took the \$14,100 which you had already determined as costs and overhead and apportioned it into six proportions?—A. Yes, as reasonably as I could.

Q. Then, where did you get your figure of costs and overhead of \$14,100, which in turn you apportioned among these items?—A. From the statement I submitted yesterday.

Q. I presume you refer to this exhibit L-X, is that the one you mean?—A. The total is \$41,237.34.

Q. Just select which statement gives you that \$14,000 item of cost. You refer me to Exhibit L-X?—A. Yes.

Q. And where is the \$14,000 of cost reflected in that statement?—A. Well, if you subtract the \$27,042.90 paid out in wages from the total amount of that statement it gives you the difference.

Q. And so in ascertaining your items of cost, as shown on Exhibit L-X for the purpose of arbitrary apportionment between the six exhibits which you have put in this morning—

Mr. ILSLEY: I object to the use of the word "arbitrary." He said he made a reasonable apportionment.

By Mr. Lawson:

Q. Witness, did you not tell me a few moments ago that you took the item of \$14,000 and arbitrarily apportioned it between these six accounts which were put in this morning under the head of Proportion of Costs?—A. I think I said I proportioned them as reasonably as I could.

By Mr. Duff:

Q. You did not use the word "arbitrary"?—A. No.

By Mr. Lawson:

Q. All right. You apportioned them; I presume, without conference. You told me that, other than to ask Mr. MacMillan a question or two?—A. That is my recollection of it, yes.

Q. So that the apportionment is one made by you yourself?—A. Yes.

Q. Without reference to anyone else, or conferring with anyone else?—A. That is correct.

Q. Then in that case is that not an arbitrary apportionment which you made no matter how reasonable it may be. I am just trying to illustrate the absurdity of my friend's objection to the use of the word. Let us go back to the point we were at. When you apportioned the \$14,000 odd, as reflected in the exhibit L-X, as costs reasonable among the six exhibits which you put in this morning, you included in those costs the items which I deal with in questioning you yesterday, as organization expenses which were never actually paid out, and you included the item of insurance, \$6,500, which never actually was paid out?—A. We had to figure that in our costs.

Q. Did you hear my question? I say, which had never actually been paid out?—A. You said it once.

Q. I am asking you to answer it once, and not try to evade it, because I will simply keep coming back to you with the same question.—A. Repeat the question.

[Mr. E. J. Walker.]

Q. I will repeat the question and it is a lengthy one. Please pay attention to it. I say, when you apportioned the sum of \$14,000 odd, which you show in the Exhibit L-X, reasonable according to your view, among the six exhibits which you filed this morning, you included in your item of cost the items shown in the exhibit L-X of organization expenses and insurance, which items were never actually paid out?

Mr. McDIARMID: Is that a fair question?

The ACTING CHAIRMAN: That was answered yesterday to the satisfaction of everybody yesterday afternoon. Do you want it gone over again?

Mr. McDIARMID: I thought the organization expenses were paid.

By Mr. Lawson:

Q. Witness, last night I thought you agreed with me on this, that all the items of expense shown in the statement L-X under the head of organization, amounting to \$1,248, were monies which were not actually paid out in respect of this contract?—A. I am sure we could not organize the thing for nothing.

Q. Did you or did you not agree with me last night before the adjournment of this Committee that the items shown under organization had not actually been paid out in respect to this contract?—A. I do not remember whether I agreed with you or not, but I certainly would never have agreed with you that it did not cost us anything to organize.

Q. I am not making that statement. I am dealing with your Exhibit L-X. In that, you have an item, "Truckage, car hire, taxis, etc., \$285." Did you actually pay out in respect of this contract with which we are dealing \$285 for truckage, car hire, taxis, etc.?—A. That is the data that was supplied to me.

Q. Did you actually pay it?—A. I did not pay it out.

Q. Did Mr. MacMillan actually pay it out?—A. I do not know. I was not there at the time.

Q. Did you swear before this Committee that this exhibit L-X was a correct calculation made by you for the purpose of assisting this Committee and giving them what you call the balance sheet?—A. As far as I can say, that is correct.

Q. As far as you can say. Did you not swear before this Committee that the Exhibit L-X was a balance sheet prepared by you of the items of expense and receipts, etc.?—A. That is the expenses of the contract.

Q. Did you swear yesterday that exhibit L-X was a balance sheet prepared by you?—A. I don't remember whether I swore that or not.

Q. All right; I will take your answer at that. Did you prepare the balance sheet, exhibit L-X, which you purported to file yesterday with this Committee?—A. I think I said that it was prepared under my direction.

Q. When it was prepared under your direction, did you direct that the items of organization amounting to \$1,248 be put in the statement?—A. I had that data supplied me by the engineer.

Q. Did you direct the engineer to supply you with that data?—A. I asked him for it.

Q. I think you told us that you have knowledge of Mr. MacMillan's books?—A. I have.

Q. Will you swear that there is any item anywhere in Mr. MacMillan's books charging this contract with items for truckage, car hire and taxi amounting to \$285?—A. I cannot swear to it.

Q. Will you swear that there are such entries in the books?—A. I said that I could not swear to it.

Q. Does the same thing apply to all the items in this statement which was prepared under your direction, that you cannot swear as to whether there is any entry in the books of A. S. MacMillan with respect to that?—A. Which entries are you referring to?

Q. All the items of the statement.—A. Well, I have supplied vouchers for a number of those items.

Q. Witness, will you swear that there are or are not entries in the books of A. S. MacMillan for all the items in exhibit L-X, which purports to be a balance sheet?—A. I would not swear to all of them.

Q. Will you swear there are book entries for any of them on that statement, exhibit L-X, which you supplied to the Committee yesterday?—A. Any items at all?

Q. Yes.—A. I do.

Q. Will you swear that there are any book entries showing that any of the items under the heading "Organization" were paid out by A. S. MacMillan?—A. I cannot swear as to that.

Q. Where are the books containing these items, if there are any items?—A. I do not know whether there are any entries; I brought all the data I could find.

Q. You did not bring all the books?

Mr. DUFF: Of course, Mr. MacMillan's engineers worked for nothing, and his stenographers, and he got his papers and pencils and pens and telegrams for nothing. You were not putting the question fairly at all.

Mr. LAWSON: I am trying to be as fair as I can.

Mr. DUFF: It is most unfair.

Mr. LAWSON: I started off with the supposition that these items were apportioned. The witness refused to swear that they were; he claimed that they were actual. I am trying to prove that they are not. I do not care which position he takes. If he takes the position that all the items were apportioned, then I am right back to where I was.

Mr. DUFF: This amount is apportioned to this contract from Mr. MacMillan's business.

By Mr. Lawson:

Q. Having had that suggestion made to you, will you swear that all the items under the heading of "Organization" amounting to \$1,248, are an apportionment of expenses of doing business, actually paid out by A. S. MacMillan?—A. I cannot swear to it; I was not there.

By Mr. Ilsley:

Q. You believe it is true?—A. I believe it is.

Q. You know that it must be true?

Mr. LAWSON: Nothing could be more unfair than those questions.

Mr. ILSLEY: I can think of some which are more unfair; I have heard some.

Mr. LAWSON: If I wanted to get into a personal controversy, I would say that you would think of that, but we will not go into that.

Mr. ILSLEY: I have heard them.

By Mr. Lawson:

Q. The only ground you have for believing—if you do believe, as I understood you to say to Mr. Ilsley—that the items of organization expenses were an apportionment of an amount paid out by Mr. A. S. MacMillan, is that they were supplied to you by somebody in the employ of A. S. MacMillan. Is that correct?

[Mr. E. J. Walker.]

Mr. ILSLEY: Of course, he did not say that.

The WITNESS: Yes, I believe they were paid.

By Mr. Lawson:

Q. And I say your reason for believing that is because somebody in the employ of A. S. MacMillan supplied you with the items under the heading of organization expenses.—A. That is correct.

Mr. ILSLEY: He says he knew about a lot of them.

Mr. LAWSON: He swore that he did not.

By the Acting Chairman:

Q. You got this information from some source yourself?—A. Yes.

By Mr. Ilsley:

Q. Part of those you paid yourself?—A. Yes.

Q. You got a lot of invoices to back up a lot of them?—A. Yes.

Mr. ILSLEY: What is my learned friend trying to show—that he does not know about anything?

Mr. McDIARMID: He said there was no money paid out for organization expenses.

By Mr. Lawson:

Q. Now we will come back to the question I started with. Have you any personal knowledge that any money was paid out by A. S. MacMillan for truckage, car hire and taxi in respect of this contract?—A. I cannot swear to that.

Q. That is one of which you have no knowledge? Have you any knowledge that Mr. MacMillan paid out \$75 for motor boat hire in connection with this contract?—A. I know that was credited to another job. It was his own boat; he would have to take it out of one pocket and put it into another.

By Mr. Duff:

Q. Does the boat run itself?—A. No; we have a man for it.

Q. Well, well; that is just fine—

By Mr. Cowan:

Q. Do you have to buy fuel for it?—A. Yes.

By Mr. Duff:

Q. You have to buy gasoline and oil?—A. Yes.

Mr. DUFF: That is just dandy.

By Mr. Lawson:

Q. If the interruptions are through I will ask you to continue. This item of \$75 is not money paid out, but a charge made by somebody as against this contract for the use of MacMillan's own motor boat?—A. That is correct.

By Mr. Duff:

Q. Did you pay that man a monthly wage?—A. Yes, we paid him so much a month.

Q. Then how can you say that it did not cost anything?—A. I did not say that it did not cost anything.

[Mr. E. J. Walker.]

Q. You want to be more careful in your answers to the gentlemen's questions.—A. He asked me if it was charged to another job.

Q. You paid for it?—A. Yes.

Q. And it was quite all right to apportion this amount to the Hudson Straits job?—A. Yes.

Mr. LAWSON: That is a matter of opinion.

By Mr. Lawson:

Q. Witness, let me continue. I am still dealing with our balance sheet, Exhibit L.X. Was the item of \$6,500 for insurance paid out by Mr. A. S. MacMillan?

Mr. ILSLEY: We had it half a dozen times that it was not.

The WITNESS: I said No.

By Mr. Lawson:

Q. So it is correct to say—and I may promise you, Mr. Chairman, that if my learned friend, Mr. Ilsley, is going to keep on, he will get exactly the same dose of his own medicine when he comes to examine the witness.

The ACTING CHAIRMAN: I think you are getting along very nicely, Mr. Lawson.

Mr. COWAN: Yes, you are doing very well.

Mr. ILSLEY: Go on with the examination. We are not interested in an interchange of compliments.

By Mr. Lawson:

Q. Was that a reasonable apportionment which you made of the proportion of costs on these fixed statements you put in this morning, made from the \$14,000 item in the balance sheet? Exhibit L.X. includes items which do not represent moneys actually paid out by MacMillan in respect to this contract.—A. They were charged against the contract.

Q. They were a charge against the contract, but as I said, they were not moneys actually paid out by MacMillan in respect of this contract?—A. He had his own risk on the insurance.

By Mr. Cowan:

Q. If he could have got the risk on the men, he would have had to pay for it?—A. Yes.

By Mr. Lawson:

Q. Quite so. We all agree with that. If Mr. MacMillan had insured these men he would have had to pay the premium for insurance. With that hypothetical proposition which has apparently been very objectionable to this Committee in the past, I say that he did not actually pay out \$6,500.—A. No. I said before that he did not pay the \$6,500 but he had the risk.

Q. He personally had the risk?—A. Yes.

By Mr. Duff:

Q. The contractor had the risk?—A. Yes.

By Mr. Lawson:

Q. I assume that if any of the men had been injured, they would have had a right of action against Mr. MacMillan for damages?—A. That is it.

By Mr. Duff:

Q. It is a fair charge to make against the contract?—A. Yes.

[Mr. E. J. Walker.]

By Mr. Lawson:

Q. Now, I want to ask you one other thing, witness. Would you turn to page 178 of the evidence, a letter which you wrote on February 2, 1928, to the Department, and for which you take full responsibility? I would direct your attention to the second paragraph of that letter. You say: "According to my books, which are in accordance of my understanding of the contract with the Department, the balance you owe me under same and for overtime authorized by your Major McLean, is \$14,810.65."—A. Yes.

Q. "According to my books . . . the balance you owe me is \$14,810.65."—A. Yes.

Q. Have you any account, ledger sheet or otherwise, here showing that balance of \$14,810.65 owing as of February 2, 1928?—A. No, we do not balance the books every month.

Q. Have you the books here containing the items from which you could make up that amount?—A. It is here.

Q. To which book do you refer?—A. The ledger.

Q. Of the men's wages, and so forth?—A. Yes.

Q. And from that ledger can the entire amount of \$14,810.65 be ascertained?—A. I think so.

Q. Witness, that ledger contains merely the entries of the men's time and wages.—A. I think there is an account there against the Department.

Q. A general account?—A. I think so.

Q. So that from your ledger we can make that calculation?—A. I think so.

By Mr. Duff:

Q. Mr. Walker, are you married?—A. No, sir, not yet.

Q. I notice in Mr. MacMillan's business a number of men have their pay assigned. To whom do you assign your pay?—A. The names would be too numerous.

Q. In connection with this Hudson Straits contract you paid a great many bills?—A. I paid quite a number.

Q. Did you pay any money to a firm named Bochner Bros., in Lunenburg County?—A. Not in this contract; in the assembling contract.

Q. In connection with the Hudson Straits work?—A. Yes.

Q. How much?—A. I think it was around \$3,700 or \$3,800.

Q. Did you pay any to Brookfield Company?—A. Yes.

Q. And to the Pierce Supply Company?—A. Yes.

Q. What about the Dartmouth Lumber Company?—A. We bought something from them.

Q. Were these on your patronage list?—A. We have no patronage list.

Q. In other words, you buy from both Grits and Tories?—A. Yes.

Q. And the four men I mentioned are Conservatives, to the best of your knowledge and belief?—A. Yes.

By Mr. Ilsley:

Q. This morning Mr. Ernst in his examination was talking a great deal about Sunday work, and he mentioned a gentleman named Campbell. Supposing, for the sake of argument, you would have paid Campbell for Sundays, and you charged the government for Sundays, how much would that amount to?—A. It would not be more than \$125 or \$150.

Mr. DUFF: All this time is wasted for \$125.

By Mr. Ilsley:

Q. You gave us that the contract means that you apportioned about \$14,000 as what you call "overhead"?—A. As cost.

Q. You gave us six branches of the contract?—A. Yes.

[Mr. E. J. Walker.]

Q. Among which you apportioned, about \$14,000, what you call overhead?—
A. As costs.

Q. In addition to wages including risk allowance, is that right?—A. Yes, that is what I included.

Q. Did you proportion it on a pro rata basis, that is, on the amount expended under each of those six branches of the contract?—A. I think that is the way I worked it out.

Q. But you did not do it on an arbitrary basis?—A. It was worked out from the figures that are there.

Q. And worked out pro rata in proportion to the expense incurred under each branch of the contract?—A. Yes.

By Mr. Duff:

Q. Mr. Walker, Mr. Lawson was trying to find out whether that \$6,500 which was insurance risk was actually paid out or not. Is that not a fair charge for Mr. MacMillan as a contractor to make, or any other contractor, to make and put in his accounts to arrive at his profit or loss on any job?—A. It is.

Q. What would it have cost if you could have got insurance?—A. I do not know. We could not get it.

Q. Did you have any accidents, to your knowledge, up there, either loss of life or any other accident?—A. There was no loss of life.

Q. Supposing one man had been killed up there what would it have cost you?—A. Mr. MacMillan may have been able to settle with the people for a certain sum otherwise, had it been me, I would have sued him.

Q. It would have cost him a considerable sum and if he had gone to court he would have had to pay another large sum?—A. Yes.

Q. Mr. MacMillan has a number of other businesses, lumbering and so on. Suppose that the 42 men were working the same length of time in the woods, what would the insurance premium have been?—A. \$5 on every \$100 of the payroll.

Mr. TAYLOR: What does that amount to under this contract?

Mr. DUFF: \$2,300.

By Mr. Duff:

Q. Do you know of any other companies who do not insure and charge the amounts in their books, or in their special contracts and Mr. MacMillan did with regard to this insurance?—A. I do not know of anyone.

Q. You do not know of any vessel owners who do not insure their vessels but every year charge a certain amount to every vessel for insurance?—A. As I understand it, the way they insure the vessel, they have a coverage for the number of vessels owned by the firm.

Q. In the case of the owner, he does not insure with the regular companies, but he charges a certain amount to each individual vessel?—A. I understand that is the way they do.

Q. Are you aware of the fact that the C. G. M. does not carry any insurance on their ships, but they have an account, in which they credit each vessel with the amount they would have to pay for insurance?—A. I know that they cannot obtain insurance, but I did not know that they charged in that way.

By Mr. Hsley:

Q. Is this a much more hazardous risk than the ordinary one?—A. When they went out they did not know whether they were coming back or not.

Q. The point is, it was an unknown risk?—A. Mr. MacMillan was advised, I think, by his solicitor, to drop it.

Q. To drop the contract on that account?—A. Yes.

By Mr. Duff:

Q. Take this question of the number of men, 42, 46 or 51, were you not justified in putting in your statement an extra amount for the four men in view of the fact that you were acting for the contractor and that he was only asked to supply 42 and not 51?—A. That was my understanding of it.

The witness retired.

The Committee adjourned till 4 p.m.

AFTERNOON SESSION

The Committee resumed at 4 p.m., Mr. Lapierre presided.

The ACTING CHAIRMAN: The Committee will come to order. What is the business before the Committee?

Mr. BELL (*Hamilton West*): Mr. Chairman, Mr. Lawson I think has something to say.

Mr. LAWSON: Are all the members of the Committee through with Mr. Walker, Mr. Chairman. If so, Mr. Ernst asked me to call on his behalf one witness before the Committee, Mr. F. C. Campbell, but he is not here now.

The ACTING CHAIRMAN: Is there any other witness you can immediately go on with?

Mr. LAWSON: Nothing else that I have, except this witness, whom Mr. Ernst asked me to call. I promise you that he will be very short, as far as I am concerned.

Mr. BELL (*Hamilton West*): To save time, may I make a reference to one matter while this witness is being waited for. It is out of order, I know. A short time ago I moved for the production of the files having to do with the Beauchemin Library, and the supplies which came in from that source, and which were dealt with in the report of the Auditor General for 1926-27 and 1927-28. These files, Mr. Chairman, have been brought in, and they have been examined, and in that the Committee has had the advantage of a very careful and conscientious examination of these records by my honourable friend Mr. Cowan. Mr. Cowan has gone into the files most thoroughly, and he has asked the officials of the Department of Printing and Stationery for their co-operation in explaining matters contained in these files. That co-operation has been very cheerfully and very fully given, and I am glad to say that it is quite possible to save the Committee the burden of any examination of those accounts, because the examination that has been had and the explanation of those records that has been given, as I have said, in a very fully and very frank way by the officials of the Department have enabled those who were interested to clear up certain things about which they were instructed there should be some enquiry made. Therefore so far as that particular matter is concerned I am not asking to bring it before the Committee, because investigations have shown that so far as we are able to judge there is nothing that would call for any extended enquiry here. So that matter may be regarded as removed from those about which we have sought information.

Mr. DUFF: Mr. Chairman, I would like to say that that is a very courteous and satisfactory explanation, and I would like to concur in it and to ask that the matter be dropped.

The ACTING CHAIRMAN: Is there any other business we can carry on with until Mr. Campbell returns?

[Mr. E. J. Walker.]

(Mr. Jacobs having taken the chair.)

The CHAIRMAN: Have we started yet?

Mr. LAWSON: No, Mr. Chairman. Mr. Campbell, whom Mr. Ernst wished to call was here at 4 o'clock, but forgot a book and he went back to the hotel for it.

The CHAIRMAN: I hope it will be given the same publicity as Mr. Walker's story about the hotel.

FRED CAMPBELL, called and sworn.

By Mr. Lawson:

Q. Mr. Campbell, the record and A. S. MacMillan and Company's books would indicate that you were employed by Mr. MacMillan as a foreman to perform services in connection with the Hudson Straits Expedition, which we have been discussing in this Committee since you have been here. I will trouble you to answer "yes" or "no," because the reporter cannot take down a nod?—A. Yes.

Q. Can you tell me the date when your employment started and the date when your employment terminated?—A. Well, as far as I remember, the day we sailed is what I have kept a record of, the 17th July, 1927.

Q. Were you paid for any days of work prior to the date of sailing, July 17, 1927?—A. I could not say that; I cannot remember that.

Q. You do not remember that?—A. No.

Mr. DUFF: Mr. Lawson, just a moment. I think the Clerk of the Committee will bear me out in saying that in the summons sent to Mr. Campbell he was asked to bring his books, vouchers, cheques and receipts. I wonder if he has them here, and whether he could tell from his books.

WITNESS: I have no clear record of that. I have a little diary I kept on that.

By Mr. Duff:

Q. You are just speaking from memory?—A. Just speaking from memory.

By Mr. Lawson:

Q. You say you have a diary which has been kept, of this trip?—A. I have.

Q. Could you produce that diary?—A. I could.

Q. Will you get it? Mr. Campbell, what is the first date in your diary in which you have made any entry with the respect to this expedition to Hudson Strait?—A. July 17, Sunday.

Q. And what is your entry of that date, Sunday, July 17?—A. Well, I have just taken a note here that the expedition to Hudson Strait that Sunday morning at nine o'clock.

By Mr. Ilsley:

Q. When was this diary written?—My friend ought to know this.

By Mr. Lawson:

Q. When did you make up this diary?—A. The day we left. It was the afternoon before we got away; but we left the wharf at nine o'clock that day.

By Mr. Duff:

Q. Were you on board the day before?—A. No, we left that morning.

Q. You were connected with the expedition before that, were you not—you were hired before that?—A. Oh yes, I was in the office.

[Mr. F. C. Campbell.]

Q. How long before?—A. Oh, I would say off and on, two days before.

Q. And you might have been paid for those two days?—A. I may have. I do not remember.

By Mr. Ilsley:

Q. Is that your original diary?—A. Yes, it is my original diary.

Q. In your own handwriting?—A. Yes, in my own handwriting.

Q. Was it kept daily?—A. Yes, every day.

Q. Was it in the morning or at night?—A. It was daily.

By Mr. Lawson:

Q. You told one of my hon. friends, Mr. Campbell, that you could not recollect the days for which you were paid for the month of July?—A. No, I cannot.

Q. I show you here Mr. MacMillan's own ledger, sheet No. 8, which purports to contain your account, and the second entry on that sheet is one dated August 31st, which credits you with wages for thirteen days in July at \$8 per day. Would you accept that as the correct number of days for which you were paid in July?

Mr. ILSLEY: How can he tell by looking at somebody else's book? I object to that question.

The WITNESS: I could not swear to that, for this reason, that as I said before, I do not remember of being paid for anything before the 17th. I do not know.

Mr. ILSLEY: I withdraw my objection.

By Mr. Lawson:

Q. You have no recollection of anything before the 17th?—A. No. I do not know.

Q. Then, while I am on the 17th, Mr. Campbell, I will call your attention to the first entry in this ledger sheet No. 8, an entry of July 14th, the issue of a cheque No. 265 for \$120.—A. That is correct. That is an advance.

Q. That is an advance of money which you received?—A. Yes, that was an advance cheque.

Q. Did you receive any money in cash from Mr. MacNearney of A. S. MacMillan, or any other person on behalf of A. S. MacMillan, as payment for any wages, other than the cheque to which I have just called your attention?—A. I have no knowledge of such.

Q. When you say you have no knowledge of such, does that mean that you did or you did not?—A. I did not as far as my memory allows me; I do not remember getting any money in cash outside of the cheque which I received for this \$120 which was advance money.

By Mr. Duff:

Q. You might have got it, Mr. Campbell, but you do not recollect?—A. I do not recollect.

Q. But you cannot swear positively?—A. I think I will take a chance on that.

Q. That is for you to say, whether you can swear positively or not,—you have no books or records?—A. I have no record of that.

By Mr. Lawson:

Q. Then, Mr. Campbell, would you turn over in your diary, and tell me the last day on which you worked under this employment in respect to the Hudson Strait matter? To save time, Mr. Campbell, may I suggest that you

[Mr. F. C. Campbell.]

turn to your entry of November 26, 1927, and read the entry which you have in your diary?—A. I have here this one, which you were looking for before. That would be on Thursday, October 27th, we finished all work ashore.

Q. My question misled you. I meant when was the date that your employment finally terminated with A. S. MacMillan?—A. That was on the 26th November. We arrived home on the late train on the Saturday, November 26th. Arrived at Moncton, 4 p.m., on November 26th.

By Mr. Duff:

Q. Where did you arrive?—A. At home.

Q. Will you read the entry please?—A. Saturday, November 26th arrived at Moncton 4 p.m., sent wire home. Arrived home at 10.50 p.m.

Q. How did you arrive at Moncton?—A. By train.

Q. You could not get to Hudson Straits from Moncton?—A. We came by rail from Quebec.

Q. You came by the Stanley to Quebec, and then went by rail from Quebec to Moncton, Halifax?—A. Yes.

By Mr. Lawson:

Q. Did your employment cease so far as the Hudson Straits contract was concerned on the 26th November?—A. I think I received a day's pay for services rendered, for looking after the men, when I came back, one extra day.

Q. That would be a day's pay after the 26th November, I assume?—A. Yes.

By Mr. Duff:

Q. That would be on the 28th November,—Mr. MacMillan would not pay you on the Sunday?—A. No.

By Mr. Lawson:

Q. When you were engaged, Mr. Campbell, was your contract or agreement of employment a written one or just a verbal one made by word of mouth?—A. It was a written contract.

Q. And was anything stated as to payment for Sundays or legal holidays?

MR. ILSLEY: Produce the contract, if it is a written document.

By Mr. Lawson:

Q. Have you the contract?—A. No, I have not the contract. It is in evidence, I think.

THE CHAIRMAN: Is it printed?

MR. LAWSON: Has my friend got a copy of the contract?

By Mr. Ilsley:

Q. Where is this contract? If it is in existence he cannot testify as to its contents.

By Mr. Lawson:

Q. Have you got it?—A. No, I have not got it. I know I signed one; I know I left one in the office.

Q. Did you get a copy of the one you signed, or an original?—A. I do not remember. I forget whether I got a copy or not. I could not say for sure; I think I did.

Q. Have you got that copy?—A. No, I have not that copy now?

Q. Do you know where it is?—A. No. I will tell you, a lot of my papers, when I came home, went astray because I did not think I would ever need them.

Q. Then I ask you, was there any term of your contract with respect to payment of you for Sundays or legal holidays?

The CHAIRMAN: Until you have proved that the contract has disappeared altogether off the face of the earth, I do not think you can prove it in this way. He says there was a contract left in Mr. MacMillan's office, and I think the proper thing would be to find out whether that contract is there now.

Mr. LAWSON: Mr. MacMillan was requested by courtesy rather than by summons to bring before this Committee all books, documents, and so on, which he had in his possession, relating to the matter of the Hudson Straits contract. I presume we can accept in good faith that he has brought them all here; we were so led to believe, with one or two exceptions, by his witness, Mr. Walker. Such a contract has not been produced by Mr. MacMillan in pursuance of the request.

The CHAIRMAN: Was it asked for?

Mr. BELL: Oh yes. Mr. Walker was asked and swore he could not find it.

The CHAIRMAN: Then are we to presume it was lost?

Mr. LAWSON: I think it is unnecessary to make such a presumption, the fact being proven that neither of the parties who had the primary evidence is able to produce it; consequently secondary evidence of its contents is admissible.

Mr. ILSLEY: Mr. Chairman, I am advised that there never was any contract, but that there were written instructions given to foremen. I think that is what the witness is thinking of.

Mr. BELL: Why did we not hear of this before? When the contractor's book-keeper was asked for anything which could be treated as a contract, he explained to us that there was no contract with the foremen; and now it is suggested by my hon. friend that he has in his hand something which purports to be a contract.

Mr. ILSLEY: No, a letter of instructions.

Mr. BELL: Just a moment please. And my hon. friend suggests that although this witness said he had a contract with Mr. MacMillan that what the witness evidently had in mind when he spoke of a contract was this letter which my friend now brings in for the first time.

Mr. ILSLEY: It has been on the table ever since the beginning of the proceedings.

Mr. BELL: It would have been of great help to the Committee if that letter could have been designated before, yesterday for instance, as that which was a contract with the foremen.

Mr. ILSLEY: It was only put on the table, and no question was ever asked about it; and I thought that was the document which was referred to, and in order to help the witness I referred to it.

Mr. BELL: Isn't it a pity—according to Mr. Ilsley this document was within his knowledge yesterday—

Mr. ILSLEY: I rise to a question of privilege. It was not within my knowledge yesterday; not until this minute did I know anything about it.

Mr. BELL: Isn't it a pity, when Mr. Ilsley says it was laid upon the table, as being within the knowledge of some person who ought to know, that my friend surmises it was not known until this time—is not that a pity?

[Mr. F. C. Campbell.]

By Mr. Duff:

Q. Mr. CAMPBELL: you cannot remember whether you had a contract or not?—A. I had a contract; there was a contract.

Q. Can you produce it?—A. I cannot.

By Mr. Lawson:

Q. Do you know what was in it?

Mr. DUFF: I suppose it is now established that the contract is lost and cannot be produced.

The WITNESS: I would not undertake to say what was in it, because I do not remember what was in it, but I know there was a contract.

Mr. LAWSON: Are you satisfied now, Mr. Chairman, that secondary evidence is admissible?

The CHAIRMAN: I suppose there is no objection.

Mr. LAWSON: Well, I thought you were ruling on it as a matter of exercising judicial discretion.

The CHAIRMAN: Excuse me. I think the other party has the right to raise any objection he likes, then I will decide the question.

Mr. LAWSON: Have you decided then, that I am entitled as a matter of the laws and rules of evidence to give secondary evidence?

Mr. ILSLEY: Has he searched for the contract?

Mr. LAWSON: The witness says that he cannot find the contract, that he looked for it, as I understand it.

Mr. DUFF: How can Mr. Lawson ask the witness questions on a contract which he says he cannot find?

Mr. LAWSON: You keep out of this, you are not a lawyer; you will be getting into deep water.

Mr. DUFF: I am accustomed to being in deep water.

The CHAIRMAN: I was not here this morning, but I understand that there was some proof made as to this contract and to its non-existence of it at the present moment.

Mr. DUFF: There was no proof this morning.

Mr. BOTHWELL: The only evidence was, that is, until Mr. Campbell went into the box, to the effect that there was no contract with the foremen, there never was a contract.

The CHAIRMAN: We have a funny situation here now, where one party says there never was a contract, and the other party says he signed one.

Mr. DUFF: If Mr. Campbell says there was a contract definitely and decisively, he should produce it, because the other witness says there was not one.

Mr. BELL (*Hamilton*): I am subject to correction on this, but I take it that what was said yesterday was that the witness had produced all contracts that he could find and that he did not know whether there were any with the foremen or not. That is my recollection, but I am subject to correction.

The CHAIRMAN: He said there was no contract with the foremen.

Mr. LAWSON: All right then. For the time being, let us forget that. I do not care which horn of the dilemma he puts himself on.

By Mr. Lawson:

Q. Did you receive any instructions Mr. Campbell, as to whether or not you would be paid for Sundays and legal holidays?—A. No, not to my remembrance; I do not remember anything about that.

Q. Nothing said about it?—A. Not that I remember of.

Q. Then, Mr. Campbell, just one other matter. You told me that you came back to Halifax on the 26th of November at night?—A. Yes, sir.

Q. Were you accompanied at the same time by all the men who returned on the steamship Stanley from Hudson Strait leaving there on November 11?—A. Yes, sir.

Mr. LAWSON: That is all, thank you.

Mr. BELL (*Hamilton*): May I just assist, for the purpose of the record. I find at page 300, Mr. Ernst is examining Mr. MacMillan apparently, and he reviews the various contracts, Mr. Chairman, that are dealt with. Then he does on to say:

Q. I do not find the contract which you entered into with your foremen. Where is that?—A. Mr. Walker tells me that there was none.

Mr. ERNST: I am instructed by one of the foremen that a contract was signed by him.

Mr. WALKER: I never saw it.

Mr. ERNST: Were contracts prepared for the foremen or not?

Mr. WALKER: I don't know. I was not there at the time, but they were not in the office when I went there.

Mr. ERNST: Have you searched for the foreman's contract?

Mr. WALKER: I did.

Mr. ERNST: And you found none?

Mr. WALKER: None.

That is exactly what I stated.

By Mr. Ilsley:

Q. Now, I will submit to you these instructions, with a letter. Have a look at them and see if you do not think that that is what you are thinking about when you are talking about contracts?—A. That is not what I signed at all. That is not the paper which I had reference to at all. This is not the contract which I have reference to at all.

Q. You will see that there is a letter there referring to the instructions, do you not? Look over everything that I have handed you?—A. Yes, that is all familiar to me.

Q. Is that your signature there at the end of the letter?—A. Yes, that is my signature.

Q. Did you ever have that particular document in your possession?—A. I had a copy of it. I do not know where it is now.

Q. That is lost, is it?—A. It is, yes.

Q. Did you try to find it?—A. I did. I looked for this, and I had another copy, or something similar, of a contract with a paper about the size of that, printed in blue.

Q. You say, in addition to the instructions?—A. In addition to this.

Q. And the letter at the end?—A. In addition to this letter here, I had another paper signed by myself about the size of that sheet, printed in blue.

Q. Typewritten in blue?—A. Typewritten.

Q. And did you take that with you to the Hudson Strait?—A. I had that with me till I came back, and I did not think it was of any more use, and I do not know what became of it.

Q. You hunted for that before you came to Ottawa?—A. I did, yes. I did not have very much time, but I did the best I could. I am positive of this; I am positive of another sheet that I cannot find, that I signed.

Q. It was part of your instructions to keep a diary, was it?—A. According to this it was. I was instructed by Mr. Moriarity to keep a diary of everything that went on, and also for the office.

[Mr. F. C. Campbell.]

Q. Will you put your diary in evidence, please.

The CHAIRMAN: That will be marked as an Exhibit, as well as the instructions and letter attached.

Mr. ILSLEY: I would like to have them printed in the proceedings.

The CHAIRMAN: You are not going to print the diary?

Mr. ILSLEY: Yes.

Mr. LAWSON: I would suggest that my learned friend read it over, and if there is anything in it that he wants he can have it printed. It does not prove anything, as far as I am concerned.

Mr. DUFF: Expense does not count.

The CHAIRMAN: At present I would calculate that the expense so far in this investigation must reach between three and four thousand dollars. We, as members of Parliament, have some responsibility to the House and to the country in the matter of expense.

Mr. ILSLEY: Well, then, I withdraw my request for the printing of the diary.

The CHAIRMAN: It will be filed with the other documents.

Mr. ILSLEY: But I want those instructions printed.

The CHAIRMAN: The instructions to foremen and Mr. Campbell's acknowledgement attached will be filed as Exhibit S-X, and the diary will be filed as Exhibit T-X.

Mr. ILSLEY: Mr. Chairman, on the question of having it back, that diary belongs to Mr. MacMillan.

By Mr. Ilsley:

Q. What do you say about that, witness?—A. I do not see why it should.

Q. Is it not part of your instructions to keep a diary for Mr. MacMillan, part of your written instructions?—A. Mr. MacMillan is quite welcome to a copy of it. I would like to have it for myself.

Q. I am talking about the original. Why was that diary not turned in just as the other foremen turned in theirs? Why did you not turn in yours?—A. I do not know why I did not. I was not asked to turn it in. I would have turned it in to Mr. MacMillan if I had, the same as I did a set of books.

Q. It is understood it is to be returned to him.—A. I would like to have a copy of it; that is all that is asked for.

Mr. LAWSON: It is not understood that it is to be returned to him. I object to that. The witness has no say, I submit, Mr. Chairman.

The CHAIRMAN: Well, whose is it?

Mr. LAWSON: This Committee obtains a document from a witness. The obligation of this Committee is to return the document to the witness from whom they obtained it. If Mr. Campbell sees fit to render it to Mr. MacMillan that is a matter of private affair between themselves which they can adjust at their pleasure, and I am not concerned with it.

Mr. ILSLEY: He says he has no objection to Mr. MacMillan having that diary. As a matter of fact, it is clear that it is Mr. MacMillan's diary.

The CHAIRMAN: That is not important just now.

By Mr. Ilsley:

Q. Did you keep a timebook as a foreman?—A. Oh, yes.

Q. Did you pad any of your own time in that timebook?—A. Oh, yes, my time is in there.

[Mr. F. C. Campbell.]

By the Chairman:

Q. Do you know what "padding" is?—A. Oh, no.

By Mr. Ilsley:

Q. May I have a look at your timebook; have you got it there?—A. I turned my timebook in.

Q. I want to direct your attention to one entry there, where five is changed to 15.

By Mr. Lawson:

Q. What document is being shown to you?—A. The timebook.

Q. What is the exhibit number?

The CHAIRMAN: M.X.

The WITNESS: Do you mean to ask me if I had changed it from 5 to 15?

By Mr. Ilsley:

Q. Yes, that is the question.—A. Well, I don't know why that is there.

Q. What date is it for?—A. That is for Thursday, August 11th.

Q. On Thursday, August 11th, you have placed 15 hours' work for yourself in that timebook?—A. It is there.

Q. How many hours have you put in for the other men who worked with you that day?—A. Five and four and three.

Q. Are not most of them five?—A. Most of them are five.

Q. How many of them are five?—A. Ten.

Q. How many are less than five—for that day?—A. Four.

Q. You are the only one who is 15?—A. Yes.

Q. That represents that you worked 15 hours that day? Is that overtime?
A. No, that is not overtime.

The CHAIRMAN: What is this? (Indicating) "Overtime Time Book—in Hours"?

Mr. ILSLEY: He worked 25 hours that day.

The CHAIRMAN: The days are much longer in the Arctic, you know.

The WITNESS: I cannot explain any reason for that.

By Mr. Duff:

Q. Did you get paid for those hours?—A. There must have been a reason; otherwise it would not have been there.

The CHAIRMAN: I notice that there is no overtime over five hours for any of them.

Mr. ILSLEY: No.

The WITNESS: Was that a holiday? Can we get back to that? Some of my men only turned up for a short time on a holiday.

By Mr. Ilsley:

Q. Is that not overtime?—A. Yes.

Q. You were not keeping the number of hours you worked in a ten hour day during the 75 day period?—A. Yes.

Q. You know what I mean, when I speak of "the 75 day period"?—A. Yes.

Q. A period which began August 4th and ended sometime in October?—A. Yes.

Q. Did you keep a record of the number of hours each man under you and yourself worked during that period—each day?—A. I kept every man's time each and every day as we went along.

[Mr. F. C. Campbell.]

Q. Every hour?—A. Yes, every hour we worked, as nearly as I could.

Q. That particular book refers to overtime only, does it not?—A. Yes.

Q. Now, be clear about that. I am not sure that you understand my question. If you do, is it right that those particular entries on that page refer to the overtime?—A. So far as I know, they do.

Q. Well, you know, do you not?—A. I cannot remember. If I put it down it must have been right; and there must have been a reason for it. I was not putting it down for any unjust reason. I will have every one understand that I am not putting it down for any unjust reason.

Q. Now, let us see; is it carried out in the total at the end—102 hours?—A. Yes.

Q. Is the 15 in that? Does the 102 include the 15, or only the 5?—A. I think it totals up as such.

Q. The 102 hours are for what period? The overtime during that month?—A. Yes.

Q. During the month of August?—A. Yes.

Q. And that amount of overtime is larger than any of the overtime that shows as having been worked by the men; is that correct? If you look at the entry under the "102" you might be able to check that up. My question is, did any other man under your control in that particular gang during the month of August work 102 hours overtime, according to your records?—A. There is one here for 102½ hours.

Q. What is the name?—A. John Woods. Another one for 102, DeLara Goodie; another one for 116½ hours.

Q. None of them are shown as having worked more than 5 hours' overtime for Thursday, August 11th.—A. Well, the reason for that is that they did not come out; they worked only a short time. I worked the whole time myself.

Q. You did not work 15 hours' overtime that day.—A. If you worked the 10 hours and overtime, why would it not be 15 hours.

The CHAIRMAN: It would be 25 hours, Mr. Campbell.

By Mr. Ilsley:

Q. You have stated that this is overtime and it is—A. I think that was a holiday; I am pretty sure that it was.

Q. What holiday would Thursday, August 11th, be?—A. I do not know what it would be, or what was the cause of it; I cannot tell you.

Q. It cannot be a holiday. There was only one holiday during that period and that was Labour Day.

The CHAIRMAN: Assumption Day was on the 15th of August; I just looked it up.

Mr. DUFF: Do they assume 25 hours on Assumption Day?

The CHAIRMAN: That is assuming too much.

By Mr. Ilsley:

Q. You kept the time of how many men, yourself included?—A. The number is in the book there.

Q. All right, 15; is that your recollection?—A. Yes.

Q. Did anybody else keep the time of these men?—A. Yes.

Q. Who?—A. The government timekeeper, Mr. A. S. Fuller.

Q. Do you know whether A. S. Fuller allows you 15 hours a day overtime?—A. It was checked up in his book; I cannot say whether he did or not.

Q. Did you get paid for the 15 hours?—A. I cannot say; I don't remember that particular day at all.

The CHAIRMAN: You should remember it, Mr. Campbell, as it was the longest day in your career.

Mr. BELL (*Hamilton*): That is an assumption.

By Mr. Ilsley:

Q. Did you get paid according to this timebook for overtime?—A. I cannot tell you that.

Q. Have you no recollection on that point?—A. If I am not mistaken, I think the timebooks were ignored. The time was not taken from the timebooks.

Q. Who made it up?—A. The time was not taken off our timebooks at all, was it?

Q. Of whom were you speaking when you said, "They ignored your timebooks"?—A. Did I understand Mr. Walker to say yesterday that he did not take the time off our timebook?

Q. No, you did not, but I am asking you now if you got paid according to this timebook?—A. I cannot tell you.

By Mr. Duff:

Q. Mr. Campbell, I am reading from your diary, which reads as follows, "Thursday, August 11th, 1927. Worked all day on blubber house; did not get away from ship until about 9 a.m." How would you get 15 hours' overtime and 10 hours' regular time after 9 o'clock in the morning until 12 o'clock midnight?—A. Well, our time had to go on just the same.

Q. Overtime? I am trying to work out where these 15 hours come in when you say that you did not leave the ship until 9 a.m.—A. I am not sure about this 15 hours; I do not know how I worked it out at all, or how it got there.

By Mr. Ilsley:

Q. Did you get together some of the men for the MacMillan expedition?—A. I helped to.

Q. You recommended your son?—A. Yes.

Q. Did you recommend a nephew?—A. Yes.

Q. Did you recommend a brother-in-law?—A. Yes.

Q. Did you recommend a young man named Hayter—a son of Mrs. Hayter to whom the pay was assigned?—A. Yes.

Q. Whose pay was assigned to Mrs. Hayter?—A. They were all left in her care.

Q. How many do you mean?—A. My own, and her son Lorne Hayter, and my son, and N. M. Brady—

Q. Is he any relation of yours?—A. A brother-in-law. I think Rogers left his in her care too.

Q. Was he a relative too?—A. No relative.

Q. Was he a nephew?—A. No relation.

Q. Was he a relative of Mrs. Hayter?—A. No, no relative; Rogers was no relative whatever.

Q. Did you tell MacMillan that they were relatives?—A. I did not tell him that Rogers was a relative.

Mr. LAWSON: Is all this relevant, Mr. Chairman?

The CHAIRMAN: Three-quarters of the stuff we get here is not relevant; I do not think it is of much consequence.

By Mr. Lawson:

Q. Mr. Campbell, on this same sheet which my hon. friend, Mr. Ilsley, was showing you, of overtime in the timebook, exhibit K.X., I notice there are some figures written in on the same day that you have.

[Mr. F. C. Campbell.]

Q. I thought, Mr. Campbell, you said August 11th was the day when there was 15 hours?

Mr. DUFF: 15 hours.

By Mr. Lawson:

Q. The same day when you have 15 days, somebody has put a figure here $1\frac{1}{2}$ days?—A. Yes.

Q. I do not know whether somebody has put a figure here on the days for this man Rogers, for example?—A. One and a half hours.

Q. That is one and a half hours?—A. Yes.

Q. These fractions of one-half mean one and a half?—A. Yes.

Q. Take under date of the 7th, under the name of T. Hayter, in there there is $16\frac{1}{2}$ and for the next man Rogers there is $16\frac{1}{2}$. What does that indicate?—A. I will tell you how that came. They were working on the boat, and were working overtime. They were working until a way on into the night.

Q. Was that $16\frac{1}{2}$ hours overtime?—A. That is work, they used to give me. They were not working ashore with me; they were working on the boat on the cargo.

Q. So that in this, when they are credited with $16\frac{1}{2}$ hours overtime, that is the overtime record, as my honourable friend suggests?—A. Yes.

Q. Then on the same day, the 7th—I see that that day was a Sunday—pretty nearly everybody had 15 hours overtime and a great many $16\frac{1}{2}$?—A. Those $16\frac{1}{2}$'s were the boys who were working on the boat.

Q. Then I go over here to the 16th August, and I see according to your record here that on the 16th August there is one man, Woods, credited with 18 hours overtime in one day?—A. Yes.

Mr. ILSLEY: What day of the week?

Mr. LAWSON: That was a Tuesday.

Mr. DUFF: That makes it worse. That makes 20 hours in that day.

By Mr. Lawson:

Q. Apparently these records from the book indicate that the men were credited with a certain amount of overtime which, added to the ten hours a day labour contract, would have them working more hours than there are in any given day, would it not?—A. No, in a great many cases, these were the hours that were brought to me, because these men were working on the boat. I could not swear to those men who were working on the boat.

Q. You simply put down the record here?—A. I put down the record of what was done, and that was given to me.

Q. You have no explanation of how it was credited with working hours?—A. No.

By the Chairman:

Q. You were keeping the time of your own men?—A. Yes. They were very busy unloading, and were kept aboard the boat unloading.

Q. And these people were paid according to the time given to you?—A. As far as I know. I do not know what they were paid. That is the time these men gave to me, and I put in the record of them.

Mr. DUFF: He is your witness, Mr. Lawson.

Mr. LAWSON: Why call him my witness?

Mr. DUFF: You called him here.

Mr. LAWSON: I am glad I did not.

[Mr. F. C. Campbell.]

By Mr. Duff:

Q. When you were paid off by Mr. MacMillan, was it a satisfactory arrangement; were you satisfied with the balance you received?—A. I was quite satisfied. I did not put up any kick.

Q. No complaints at all?—A. No complaints at all.

Q. Have you complained since about anything?—A. I have not complained about my pay, to any one.

Q. Did you make any complaints to anybody?—A. Not about the matter of Hudson Bay.

Q. You did not?—A. No.

Q. Did you say that you did not make any complaints from the time you were paid off until the present day, about the Hudson Bay expedition?—A. Not about the 1927 expedition, no.

By Mr. Ilsley:

Q. Did you state that you would show somebody up, or spill the beans, or something like that?—A. Nothing of the sort.

Q. Did you write any letters to anybody with reference to the Hudson Strait matter?—A. Not by me, no letters to anybody.

Q. I understood that Mr. Ernst said that he had a letter from you?—A. No, I have not written any letters to hurt anybody.

By Mr. Duff:

Q. Did a gentleman named J. Stanley Fraser come to see you in the last few months in regard to this matter?—A. I think there was a man by that name.

Q. What did he want of you, what was his business?—A. He wanted to get some data on this.

Q. What did you tell him, do you remember?—A. I did not tell him very much. He led me to believe or I thought at the time that this was something very important, and that I would be called upon and that whatever I said to him I would have to say here.

Q. Did you say anything you have not told us now?—A. Not that I remember.

Q. Do you know who Mr. Fraser is?—A. I know him. I have just met him once or twice.

Q. What is his position in Nova Scotia?—A. I do not know that.

Q. Do you know whether he is the Conservative organizer?—A. I do not know. He was a perfect stranger to me. I had never met the man before.

Q. Did you know W. P. Buckley?—A. Yes.

Q. When did you see him last?—A. I saw him before I came away.

Q. How long before?—A. About a day or two.

Q. Did you see him the night before you came away?—A. That night before I came away, yes, I think I did, down the street.

Q. Did he pay you any money?—A. Sure.

Q. I beg pardon—A. Yes, he did.

Q. How much?—A. Must I answer that?

The CHAIRMAN: I think you may answer that. When a witness receives money from an outside party who is not obliged to pay it to him, I think it is a fair question.

Mr. BELL (*Hamilton West*): Provided it has some relation to this matter.

The CHAIRMAN: Yes.

[Mr. F. C. Campbell.]

By Mr. Duff:

Q. That is a fair question, and I would like to know how much money he paid you?—A. He paid me \$100.

Q. Did you asked him for it, or did he come and offer it to you?—A. No, I did not ask him for it.

Q. He offered you \$100?—A. Yes.

Q. Do you know who Buckley is?—A. I am not very well acquainted with the man, in fact I had more conversation with him the last few days than I ever had. I did not know him very much.

Q. What was the conversation?—A. The conversation did not amount to anything.

Q. Was the conversation that he wanted you to go to Ottawa and give evidence against MacMillan?—A. He wrote telling me I had to come.

MR. DUFF: He was wrong there.

MR. LAWSON: Mr. Chairman, the witness said he understood he had to come here.

WITNESS: Yes, I did.

By Mr. Lawson:

Q. From Buckley?—A. Yes.

MR. LAWSON: My honourable friend Mr. Duff says that is wrong.

MR. DUFF: I say that that is wrong, that Buckley had not authority to pay him to come here.

THE CHAIRMAN: His conduct money has to be paid by the Parliament of Canada.

MR. DUFF: I can understand if Campbell wanted some money before he came he would go and ask him, but I cannot see why Buckley should pay him the money.

THE CHAIRMAN: He was a labourer in the vineyard of the Lord.

By Mr. Duff:

Q. He was the Conservative organizer in Nova Scotia?—A. I cannot you anything about what he was. I got a telegram to come and I took that as a subpoena.

Q. When you got the telegram did you go to Buckley, or did he come to you?—A. He came to me.

Q. You did not go to him?—A. No.

THE CHAIRMAN: Any further questions?

The Witness retired.

B. M. MYERS, called and sworn.

By Mr. Ilsley:

Q. Mr. Myers, I understand you were one of the foremen who went to the Hudson Strait with MacMillan?—A. Yes.

Q. You heard what this last witness said about there being a written contract between Mr. MacMillan and the foremen?—A. Yes.

MR. LAWSON: I did not say between the company and the foremen, I said between MacMillan and him.

By Mr. Ilsley:

Q. Was there any written contract between MacMillan and you?—A. Not exactly a written contract. I had a letter of instructions, that was all.

[Mr. F. C. Campbell.]

Q. You signed a letter acknowledging the receipt of the instructions, did you?—A. Yes, I acknowledged the letter. I do not think the letter bears my signature.

By the Chairman:

Q. Have you the letter, Mr. Myers?—A. I have not got it now.

Q. Will you look at this, Exhibit S-X, and see if it is similar to that. That appears to be signed?—A. Yes. That is my signature.

Q. This one has been filed as Exhibit U-X?—A. That is my signature.

By Mr. Ilsley:

Q. The document is in identical terms with the one signed by Campbell?—A. Yes. It is a letter of instructions.

Q. Look at the letter. I will read it for you. (Reads):

I hereby acknowledge receipt of your instructions of even date containing schedule of work which I shall be required to do in connection with the erection of buildings, etc., at Hudson Straits, and I agree to fulfil the conditions contained therein to the best of my ability.

I further agree to abide by the conditions set forth in the Agreement, dated July 15th, 1927, signed by all my workmen, in so far as they may relate to me.

It is identically the same?—A. Yes.

Mr. LAWSON: To keep the record clear and save me going over it, there is one page shown to me signed by him as identically in the same wording as the one written by the Campbell, the previous witness.

The CHAIRMAN: Precisely.

By Mr. Duff:

Q. Where were you born, Mr. Myers? While they are waiting—. In Coal Harbour?—A. I was born in Halifax County.

Q. You are no relation to the Myers in Coal Harbour, Guysboro County?—A. Maybe I am. I do not know that I am.

Mr. DUFF: I am trying to prove that he is a Grit.

Mr. BELL (*Hamilton West*): How did you ever overlook a vote?

By Mr. Ilsley:

Q. There is one which purports to be signed by a man named R. J. Butler; was he the third foreman?—A. Yes, he was the third foreman.

Mr. LAWSON: I object, Mr. Chairman. It has not been proven.

The CHAIRMAN: It cannot be filed, if it is objected to.

By Mr. Duff:

Q. Do you know the name of the third foreman?—A. Reuben Butler.

Mr. DUFF: That is all the questions I have to ask.

The CHAIRMAN: Any questions, Mr. Lawson?

Mr. LAWSON: No questions.

The witness retired.

The CHAIRMAN: The next witness.

Mr. ILSLEY: Mr. O'Malley.

J. R. O'MALLEY, called and sworn:

By Mr. Ilsley:

Q. Mr. O'Malley, did you go to Hudson Strait with this expedition we have been talking about?—A. Yes sir.

Q. What was your position?—A. I was Secretary of the Hudson Strait expedition in 1927-28.

The CHAIRMAN: Do you think it would be well to ask him if he is an official of the government, which I understand he is?

By Mr. Ilsley:

Q. You are an official of the government?—A. Yes, in the Department of Marine and Fisheries.

Q. You have in your possession the timebook kept by the Department?—A. It is not in my possession, exactly, it is in the possession of the Chief Accountant, at the moment. I gave it to him on my return in 1927.

By Mr. Duff:

Q. Are you in the Chief Accountant's office?—A. No sir, I am in the Pilotage office.

Q. Did you pilot the *Larch* or the *Stanley* to Hudson Bay?—A. The *Stanley*, sir.

Mr. DUFF: And made a good job of it.

By Mr. Ilsley:

Q. Do you know anything about the keeping of this time by the government?—A. Yes sir, Mr. Fuller kept some of it; Mr. Lemieux kept some; and Mr. Lefebvre kept some of it.

Q. Which Mr. Lemieux—not the Speaker of the House of Commons?—A. No sir.

Q. These timebooks are in the custody of Mr. Boyle now?—A. They are, sir.

Q. Can you get them yourself?—A. I think I can ask Mr. Boyle to get the timebooks. Do you want them all?

Q. I am interested in the one of Thursday, August 11th.

Mr. LAWSON: While we are waiting, I want to ask Mr. Myers something, will you ask him not to go away?

The CHAIRMAN: You might ask Mr. Myers now, if you like, he is behind you.

Mr. LAWSON: I will wait.

By Mr. Ilsley:

Q. Mr. O'Malley, what was the timebook in the possession of the department show as to Thursday, August 11th?—A. I have it.

Q. Will you take the time of the foreman, Mr. Campbell?—A. Mr. F. C. Campbell, five hours.

Q. What is the total of the month for Campbell? Is it carried out at the end of the page?—A. It is pretty hard to get a total, because Mr. Campbell left Nottingham Island and went to Wakeham Bay. I could make up the total for you if you wish it.

[Mr. J. R. O'Malley.]

Q. Do you know anything about how much time was paid to Mr. MacMillan for that day for Campbell for overtime?—A. All we paid Mr. MacMillan is five hours. That is given us by the timekeeper.

By Mr. Duff:

Q. You owe him \$8 then?—A. Well, I have disputed that fact.

Mr. LAWSON: That makes it clear the Government did not lose any money on it.

The CHAIRMAN: Any questions, Mr. Lawson?

Mr. LAWSON: My friend has covered everything I had in mind.

The witness retired.

The CHAIRMAN: Mr. Myers, will you come forward, now?

Mr. G. M. MYERS, recalled:

By Mr. Lawson:

Q. Mr. Myers, when did you leave Halifax to come up here?—A. I left last Sunday morning.

Q. Where did you get the money to come up here—to purchase your railway tickets?

The CHAIRMAN: Perhaps Mr. Duff has a copyright on that.

Mr. LAWSON: Excuse me, Mr. Chairman, I am in earnest.

By Mr. Lawson:

Q. My question was where did you get the money to finance your trip up here—who advanced you the money so that you could finance your trip here?—A. Nobody advanced me the money. I am in Mr. MacMillan's employ, and he bought my ticket.

By Mr. Duff:

Q. Does he owe you any money?—A. I think he does.

Mr. LAWSON: I did not interrupt you.

By Mr. Lawson:

Q. Mr. MacMillan purchased your ticket to come up here, did he—and your Pullman?—A. He did.

Q. And was any money given to you to pay your meals on the train, etc.?—A. No.

Q. Did you do it out of your own pocket?—A. I did.

Q. I presume you are keeping an account of the amount you spend?—A. Roughly.

Q. Was Mr. MacMillan in Halifax last Sunday to purchase your ticket?—A. Yes, we left Halifax Sunday morning.

Q. Together?—A. Yes.

Q. I see. He went down to Halifax over the adjournment. When did you draw your last pay from A. S. MacMillan?—A. Last Saturday morning.

Q. Just prior to this Sunday you left on?—A. Yes.

Q. And were you paid any moneys in addition to your regular pay?—A. No, I drew money to pay the men that were working on my work. I did not personally draw any money on my own account in particular. I drew money to pay the men who were working under me last Saturday.

Q. In the ordinary course of business, money which you would pay the men?—A. Yes.

[Mr. J. R. O'Malley.]

By Mr. Duff:

Q. This ticket which Mr. MacMillan bought for you, was it understood that you were to pay him back after you got home?—A. Well, I did not take any time to go into a matter of that kind at all.

Q. That was understood?

Mr. LAWSON: I object that is not a question but it is a statement of fact.

By Mr. Duff:

Q. Was it understood when Mr. MacMillan bought your ticket that you were to pay him back?

Mr. RYCKMAN: I object to the question.

The CHAIRMAN: No one suggests that there was anything sinister in bringing this witness up here.

By Mr. Duff:

Q. You are Mr. MacMillan's witness, and it was quite proper for him to buy your ticket. You said Mr. MacMillan paid for your Pullman. Did not Mr. Walker pay for your Pullman?—A. Yes, but he was instructed by Mr. MacMillan.

By the Chairman:

Q. You are both employees of Mr. MacMillan?—A. Yes.

Mr. DUFF: And see that he pays you well for coming up here. You know Billy Buckley—perhaps he will give it to you.

The Witness retired.

Mr. DENIS MORIARITY: Called and sworn.

The CHAIRMAN: Mr. Ilsley, the witness is sworn.

By Mr. Ilsley:

Q. Mr. Moriarity, you were the Superintendent of this expedition to Hudson Strait?—A. Yes, sir.

Q. Did you have something to do with getting the organization together?—A. I got the organization together, yes sir, supervised it.

Q. Do you know Mr. MacNeary?—A. Yes, sir.

Q. Do you know whether it was the practice of Mr. MacNearney to carry money, to carry cash and pay it out to the men?—A. Yes.

Q. During that period when you were getting the organization together?—A. Yes, sir.

Q. How do you know that?—A. Because he paid me in cash, myself.

Q. For the period just before the expedition started?—A. Two weeks before the expedition left Halifax, and while the loading was going on.

Q. You did not get that by cheque from the office at all?—A. No, sir, I got that by cash.

By Mr. Duff:

Q. Mr. Moriarity, you took forty-one men beside yourself to Hudson Bay?—A. I think that was the number.

Q. Forty-six—forty-five besides yourself, I beg your pardon?—A. Yes.

Q. How many men did you have apply to you or to Mr. MacMillan's office for work, before you got those forty-six men?—A. About five hundred.

[Mr. B. M. Myers.]

Q. I suppose it took a good deal of time to weed them out and pick forty-six out of the five hundred?—A. It got so bad that we were going to call the policeman to the office.

By Mr. Ilsley:

Q. Did Mr. MacMillan pay you any money in cash for organization expenses?—A. He paid me two or three times in cash.

Q. How much money altogether did he pay you in cash for organization expenses?—A. I would say between two and three hundred dollars.

Q. You did not get that from the office?—A. I got it out of his own pockets.

Q. So that you say you got cash both from MacNearney and from MacMillan?—A. Yes.

By Mr. Duff:

Q. There was some talk about a motor boat which ran without anybody on board her. What did you use a motor boat for?—A. We used it going backward and forward in the stream to the ship; and also at Dartmouth. We had our materials over in Dartmouth.

Q. You used her in connection with this expedition?—A. Yes.

Q. Do you know anything about the truck which was used?—A. We had a truck going back and forward with trunks. Those fellows we took up there did not have a dollar, and we had to advance money to them before they went.

Q. Did you advance any money to fellows that did not go?—A. No.

By Mr. Lawson:

Q. Did you come up from Halifax last Sunday with the MacMillan party?—A. I did not, sir.

By Mr. Duff:

Q. Did you get any money from Billy Buckley?

By Mr. Lawson:

Q. When did you come, Mr. Moriarity?—A. I got here at 1.15 to-day.

By Mr. Bell:

Q. Tell me about those advance moneys which you spoke of having received from Mr. MacMillan and also from Mr. MacNearney. What was the practice in regard to that. Would you ask for an advance for a certain amount and receive it, and give a receipt for it?—A. They never asked me for a receipt, and I was satisfied with the amount. I had \$200 a month.

Q. When any advance money was given to you, whether volunteered or on request, did you give any memorandum that you had received so much cash?—A. It was due me.

Q. I appreciate you felt it was due you, but when it was paid either by Mr. MacMillan or by Mr. MacNearney—any advance I am talking of.—A. I did not get any advance money. I earned it. I got two weeks' pay and then I got two weeks' pay after that.

Q. Were you paid at any time before the expedition actually got under way?—A. I was working for the expedition before they left Halifax, in getting it together; and that is the money I received. And after I went on board ship, my wife drew my money.

Q. The money which you were previously paid by Mr. MacNearney, did you sign a receipt for that?—A. No. I just said, "Charlie, you owe me fifty dollars," and he drew out the money and paid me.

Q. So that the payments made to you in that way, you did not give him a scrap of writing for it?—A. No.

[Mr. Denis Moriarity.]

By Mr. Lawson:

Q. You are a regular employee, paid a regular salary, are you not?—A. I was hired at \$8 per day.

Q. All the time, are you not a regular employee?—A. No, sir.

By Mr. Ilsley:

Q. Were these labouring men and handymen, and so on, which went on that Hudson Bay expedition, hanging around Halifax for days before the ship sailed?—A. They were hanging around for weeks before the expedition sailed. As soon as they heard the expedition was going to the Hudson Strait they came all the way from the Annapolis Valley.

Mr. DUFF: Any from King's County?

By Mr. Ilsley:

Q. Do you know whether MacNearney paid any other living expenses or advanced from time to time any cash for these fellows who were in Halifax?—A. He may have.

Q. Do you know about that?—A. No, I do not.

The witness retired.

WALTER SURTEES called and sworn.

By Mr. Ilsley:

Q. Mr. Surtees, what is your position?—A. I am architect in the Chief Engineer's Branch, Marine Department.

Q. Will you take the proceedings of Tuesday, May 7, 1929, and open at page 146. When did you go to Halifax in June, 1927?—A. I do not remember the exact date.

Q. Cannot you tell by looking at your telegram of June 11, at the bottom of page 146?—A. I left about three days before that time.

Q. You left three days before that date?—A. Yes.

Q. Did you have a conference with Mr. A. S. MacMillan with regard to a contract to erect buildings at Hudson Strait?—A. Yes.

Q. At the top of page 147, there is a telegram from you to N. B. McLean?

Mr. LAWSON: That is a memorandum, not a telegram.

By Mr. Ilsley:

Q. At the top of the page, on page 157, you say in that telegram:

Have completed agreement with MacMillan which is of advantage to Department.

Had you come to an agreement with MacMillan subject to confirmation?—A. Yes, a tentative agreement.

Q. And did you return to Ottawa shortly after that?—A. I returned the next morning, I think.

Q. And when you got to Ottawa, did you prepare a memorandum?—A. Yes.

Q. And is that the memorandum on page 147?—A. Yes.

Q. You mention in that memorandum the figure of \$29,463?—A. Yes.

Q. What number of men is that based on?—A. That is based on the minimum of 42 men.

Q. Did you consider that that was a reasonable figure, all circumstances considered, for the work that you wanted to get done by 42 men in 75 days?—A. Yes, very reasonable.

Q. Can you give us some idea of how you made up that amount?—A. Yes, I can. The amount of \$19,125 included the labour of the 42 men for 75 days. I discussed with both Mr. MacMillan and Mr. MacNearney at the time, and I

[Mr. Denis Moriarty.]

tried to impart my views on the question to them. It was a very difficult matter. It was a very unknown quantity they were figuring on, and Mr. MacNearney, after a great deal of thought, took the basis of 75 days to do the various works that I had outlined to him, and amongst those works the unloading of the materials from the time they started at the first station, that is, arrived at the first station, and the loss of time between the various stations, which was quite a problem to figure upon, because we did not know whether a boat was going to be one day or ten days getting to the next station; and the erecting of all the buildings, 32 in number, preparing landing stages, which in some places were very difficult to construct; the boulders and rock had to be blasted away; and runways for the tractors and skidways and special concrete foundations for the machinery and masts, and erecting six radio masts and six derricks. It required men used to go up rigging masts. Besides that there is a miscellaneous item from the contractor's point of view of clothing the men, \$530 and necessary tools, about \$270, making a total of \$900. Then travelling expenses of men to Halifax and return, and awaiting the sailing of boat, about \$900.

By Mr. Lawson:

Q. Travelling expenses of men to Halifax—

Mr. ILSLEY: You can put that statement in.

The WITNESS: And awaiting the sailing of boat, \$900. Insurance coverage and office overhead, \$3,000. Unforseen, \$1,500, and contingencies \$3,825. That brought the total up to about \$29,250. I may say, Mr. Ilsley, that that is from memory, that list I have compiled here. It is from memory after a conference I had had with Mr. MacNearney at Halifax.

Q. This is from memory, the basis that you had in your mind?—A. Yes, at that time, several weeks before the expedition sailed.

Q. Did you discuss the matter of insurance against claims for damage, for instance?—A. I pressed upon Mr. MacMillan the fact that he would have to be covered.

Q. Did you know anything about what the cost would be?—A. I had an idea it would run around \$1,500 to \$2,000.

Q. And you put a lot in there for contingencies.—A. Yes. Our experience in the Department has been that that varies very much in the different works.

Q. Do you know anything about Mr. MacMillan's efforts to get insurance?—A. Well, the last time I was speaking to him, it was the evening before I left, he said that he was endeavouring to obtain insurance, but I have understood since that he could not place it.

Q. You consider that this \$29,463 was a reasonable contract figure under all the circumstances?—A. Yes, under all the circumstances.

Q. For 42 men?—A. Yes.

Q. And so reported to the Department?—A. Yes.

Q. And your report is found on page 147?—A. Yes.

By Mr. Lawson:

Q. Mr. Surtees, the figures you have just given us is your recollection of figures arrived at by you and A. S. MacMillan or some of his officials prior to his entering into the contract, and your recollection is that the item of insurance figured at that time was \$3,000?—A. Well, now, Mr. MacMillan nor Mr. MacNearney did not specify any amount.

Q. Why did you put in \$3,000?—A. They had not received any word from the insurance people, but they said it would run around \$1,500 or \$2,000.

Q. That is your recollection?—A. Yes, that is my recollection.

Q. Then, why did you include \$3,000. Oh, you state insurance and office overhead?—A. Yes.

Q. So you allowed \$1,500 to \$2,000 for insurance?—A. Yes.

By Mr. Ilsley:

Q. You were basing your figures on the assumption that they could get insurance? And they had no relation to a situation where it was impossible to get insurance?—A. No.

By Mr. Duff:

Q. Do you know of a man being killed on the *Stanley* on the way back? —A. Yes, sir, on the way up.

By Mr. Lawson:

Q. Do you know who paid the damage for that man's loss of life?—A. I have not seen the official files, no.

The witness retired.

A. S. MACMILLAN, recalled.

The CHAIRMAN: You are already sworn, Mr. MacMillan?

By Mr. Ilsley:

Q. Mr. MacMillan, will you take the proceedings of Tuesday, May 7th, and look at page 192. There was considerable evidence this morning about the two accounts at the top of that page?—A. Yes.

Q. Did you have anything to do about making up those accounts yourself? —A. No.

Q. Did you ever see those accounts?—A. No, I saw them here.

Q. They were made up by your bookkeeper, Mr. Walker?—A. Yes.

Q. And you knew nothing at any time about the basis upon which the accounts were made?—A. No.

Q. And the periods for which time was charged?—A. No. I never gave it any attention whatever.

Mr. ILSLEY: That is all I have to ask.

Mr. LAWSON: No questions.

The witness retired.

The CHAIRMAN: Next witness.

Mr. ILSLEY: That is all, Mr. Chairman. Does this close the investigation, so far as this Hudson Strait matter is concerned?

Mr. BELL (*Hamilton*): All except the report, I suppose.

Mr. DUFF: Are we going to make a recommendation that the Department pay the balance owing Mr. MacMillan?

The CHAIRMAN: I do not think that he has proved that they owe him anything. We ought to have a meeting for the purpose of discussing the question of our report to the House. As I understand it, there are no further examinations to take place on any other matter on the Order Paper; I understand that they have all been retired except this one. Am I correct in that assumption? Mr. Ernst withdrew the two connected with Bedford Basin. You have something, Mr. Bell, with regard to Matane Wharf?

Mr. BELL: Yes, Mr. Chairman.

The CHAIRMAN: It is not on the Order Paper.

Mr. BELL (*Hamilton*): It has not reached that stage. As a matter of fact, possibly you and the Committee will recall that that matter came before us on a previous hearing. After the motion had gone through Committee for the production of the file—I referred to it in Committee—it was discovered that a considerable portion of the material which we desired to examine had been in Quebec in connection with some proceedings that were taken there before the Exchequer Court, and subsequently, when the material was collected it became available two or three days ago, and it has been quite impossible to make any progress with it since that time. I will have to apply to the Committee for leave to take that up later.

The CHAIRMAN: Take it up during the session?

Mr. BELL (*Hamilton*): As it is possible to examine the material I can tell you better.

The CHAIRMAN: Very well. When will we meet for discussing the nature of our report to the House?

Mr. BELL (*Hamilton*): I would suggest Tuesday, if that is agreeable.

The Committee adjourned to resume on Tuesday, May 28th, at 11.00 a.m.

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